

# FEDERAL REGISTER

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## TITLE 5—ADMINISTRATIVE PERSONNEL

### Chapter I—Civil Service Commission

**PART 27—EXCLUSION FROM PROVISIONS OF THE FEDERAL EMPLOYEES PAY ACT OF 1945, AS AMENDED, AND THE CLASSIFICATION ACT OF 1949, AND ESTABLISHMENT OF MAXIMUM STIPENDS FOR POSITIONS IN GOVERNMENT HOSPITALS FILLED BY STUDENT OR RESIDENT TRAINEES**

**CHAPLAIN INTERNS AT ST. ELIZABETHS HOSPITAL AND FREEDMEN'S HOSPITAL**

The Commission has determined that positions of Chaplain Interns at Freedmen's Hospital should be excluded from the provisions of the Federal Employees Pay Act and the Classification Act, and has prescribed maximum stipends for these positions. Effective as of January 1, 1950, § 27.1 and § 27.2 are amended as set out below.

§ 27.1 *Exclusion from provisions of Federal Employees Pay Act and Classification Act.* In accordance with the provisions of section 1 and section 2 of Public Law 330, 80th Congress, approved August 4, 1947, the following positions, in addition to those specifically excluded by section 1 and section 2 of such law, are excluded from the provisions of the Federal Employees Pay Act of 1945 (Public Law 106, 79th Congress), as amended, and the Classification Act of 1949 (Public Law 429, 81st Congress, approved October 28, 1949):

Chaplain interns at St. Elizabeths Hospital and Freedmen's Hospital, approved training during second year post graduate training, and fourth year approved post graduate training.

§ 27.2 *Maximum stipends prescribed.* In accordance with the provisions of section 3 of Public Law 330, 80th Congress, approved August 4, 1947, the following maximum stipends (including overtime pay, maintenance allowances, and other payments in money or kind), except as otherwise provided in § 27.3 are hereby prescribed:

Chaplain interns—St. Elizabeths Hospital and Freedmen's Hospital:	
Approved training during second year post graduate training, per month	\$134
Fourth year approved post graduate training	2,000

(61 Stat. 727; 5 U. S. C., Sup., 1051-1058)

UNITED STATES CIVIL SERVICE COMMISSION,

[SEAL] L. A. MOYER,  
*Executive Director.*

[F. R. Doc. 49-10584; Filed, Dec. 30, 1949; 8:45 a. m.]

### Chapter III—Foreign and Territorial Compensation

#### Subchapter B—The Secretary of State

[Dept. Reg. 108.98]

### PART 325—ADDITIONAL COMPENSATION IN FOREIGN AREAS

#### DESIGNATION OF DIFFERENTIAL POSTS

Section 325.11, *Designation of differential posts*, is amended as follows, effective on the dates indicated:

1. Effective as of the beginning of the first pay period following December 10, 1949, paragraph (a) is amended by the addition of the following post:

El Recreo, Nicaragua.

2. Effective as of the beginning of the first pay period following December 10, 1949, paragraph (b) is amended by the addition of the following post:

Salt Ponds, Gold Coast.

3. Effective as of the beginning of the first pay period following December 10, 1949, paragraph (c) is amended by the addition of the following post:

Dodoma, Tanganyika.

Issued: December 20, 1949.

For the Secretary of State.

[SEAL] JOHN E. PEURIFOY,  
*Deputy Under Secretary.*

[F. R. Doc. 49-10624; Filed, Dec. 30, 1949; 8:54 a. m.]

## TITLE 6—AGRICULTURAL CREDIT

### Chapter I—Farm Credit Administration, Department of Agriculture

#### Subchapter B—Federal Farm Loan System

### PART 10—FEDERAL LAND BANKS GENERALLY

#### INSURANCE REQUIREMENTS

Section 10.40 of Title 6 of the Code of Federal Regulations is hereby amended to read as follows:

(Continued on p. 7869)

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### 1949 Edition

### CODE OF FEDERAL REGULATIONS

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§ 10.40 *Amount of insurance.* Insurance on buildings shall be required against such risks and in such amounts as the bank may determine to be necessary for adequate protection of the mortgagee's interest. A bank may delegate to associations full or limited authority with respect to the determination of insurance requirements. In making the determination consideration should be given to the size of the loan in relation to the value of the security, the extent to which the buildings enter into such value, and the extent to which the borrower's ability to operate the property

efficiently would be affected if a loss occurred and the buildings were not replaced. [183]

(Sec. 6, 47 Stat. 14; 12 U. S. C. 665; E. O. 6084, March 27, 1933. Applies third sentence of sec. 12 Ninth, 39 Stat. 371, as amended; 12 U. S. C. 771 Ninth)

[SEAL] J. R. ISLEIB,  
Land Bank Commissioner.

[F. R. Doc. 49-10607; Filed, Dec. 30, 1949; 8:53 a. m.]

### Chapter IV—Production and Marketing Administration and Commodity Credit Corporation, Department of Agriculture

#### Subchapter C—Loans, Purchases, and Other Operations

[1949 C. C. C. Rice Bulletin 1, Amdt. 2]

#### PART 655—RICE

#### SUBPART—1949-CROP RICE LOAN AND PURCHASE AGREEMENT PROGRAM

#### 1949-CROP RICE PRICE SUPPORT PROGRAM BULLETIN

The regulations, as amended, issued by Commodity Credit Corporation as 1949 C. C. C. Rice Bulletin 1 (14 F. R. 4844 and 7196) are further amended as follows:

1. Paragraph (a) *Area*, of § 655.102, *Availability of loans and purchase agreements*, is amended by adding the State of Arizona to the area in which loans and purchase agreements will be available so that the paragraph reads as follows:

(a) *Area.* Loans and purchase agreements will be available on eligible rice produced in the States of Arizona, Arkansas, Louisiana, California, Mississippi, Missouri, and Texas.

2. Paragraph (a) of § 655.105, *Eligible rice*, is amended by adding the varieties R. N. and Kamrose to the eligible varieties of rice so that the paragraph reads as follows:

(a) In accordance with the United States Standards for Rough Rice, such rice shall be of the varieties included in classes I to IX, inclusive, and of the varieties Patna, Zenith, Arkrose, Blue Bonnet, Magnolia, R. N., Kamrose, and Prelude, included in the miscellaneous class X.

(Sec. 4 (d), Pub. Law 806, 80th Cong., interpret or apply sec. 5 (a), Pub. Law 806, 80th Cong., sec. 1 (a) Pub. Law 897, 80th Cong.)

Issued this 27th day of December 1949.

[SEAL] ELMER F. KRUSE,  
Vice President,  
Commodity Credit Corporation.

Approved:

RALPH S. TRIGG,  
President,  
Commodity Credit Corporation.

[F. R. Doc. 49-10609; Filed, Dec. 30, 1949; 8:50 a. m.]

[1949 C. C. C. Rice Bulletin 1, Amdt. 1 to Supp. 1]

#### PART 655—RICE

#### SUBPART—1949-CROP RICE LOAN AND PURCHASE AGREEMENT PROGRAM

#### 1949-CROP RICE PRICE SUPPORT PROGRAM BULLETIN

The regulations issued by Commodity Credit Corporation as 1949 C. C. C. Rice Bulletin 1, Supplement 1 (14 F. R. 5419) are amended as follows:

Section 655.124, *Rates at which loans and purchases will be made*, is amended to read as follows:

§ 655.124 *Rates at which loans and purchases will be made—(a) Basic rates.* The basic loan or purchase rate for 100 pounds of rough rice grading U. S. No. 3 or U. S. No. 4 shall be computed as follows:

Multiply the yield of head rice by the applicable value factor for head rice (as shown in the table below according to class or variety and geographical area). Similarly, multiply the yield of broken rice by the applicable value factor for broken rice. Add the results of these two computations to obtain the basic loan or purchase rate for 100 pounds of rough rice and express such rate in dollars and cents.

In the case of rough rice produced in California and Arizona, the milling test must be made on the basis of dockage-free rough rice and the head rice yield shall be stated on the basis of head rice with 4 percent broken kernels. In computing the loan or purchase rate, fractions of a pound of yields of heads or broken shall be dropped and the rate shall be rounded to the nearest whole cent.

VALUE FACTORS FOR HEAD AND BROKEN RICE

Class or variety	California and Arizona		Other areas	
	Head rice	Broken rice	Head rice	Broken rice
Rexoro, Nira, Patna and Blue Bonnet	0.0834	0.0300	0.0856	0.0300
Fortuna, Edith and R. N.	0.0811	0.0300	0.0832	0.0300
Prelude, Lady Wright, Calady, Blue Rose, Kamrose, Arkrose, Magnolia, and Zenith	0.0702	0.0300	0.0719	0.0300
Pearl and Early Prolific	0.0668	0.0300	0.0679	0.0300

<sup>1</sup> With 4 percent broken.

(b) *Premiums.* If the rice grades U. S. No. 1 or U. S. No. 2, a premium of 10 cents per 100 pounds of rough rice shall be added to the basic rate.

(Sec. 4 (d), Pub. Law 806, 80th Cong., interpret or apply sec. 5 (a), Pub. Law 806, 80th Cong., sec. 1 (a) Pub. Law 897, 80th Cong.)

Issued this 27th day of December 1949.

[SEAL] ELMER F. KRUSE,  
Vice President,  
Commodity Credit Corporation.

Approved:

RALPH S. TRIGG,  
President,  
Commodity Credit Corporation.

[F. R. Doc. 49-10608; Filed, Dec. 30, 1949; 8:50 a. m.]



# TITLE 7—AGRICULTURE

## Chapter VII—Production and Marketing Administration (Agricultural Adjustment), Department of Agriculture

### PART 702—SPECIAL AGRICULTURAL CONSERVATION PROGRAM

#### SUBPART—1950—PUERTO RICO

The intent of the 1950 Agricultural Conservation Program for Puerto Rico (hereinafter referred to as the 1950 program) is to obtain the greatest possible conservation with available funds, and to assist farmers in increasing conservation activities on their farms.

Assistance will be given to farmers carrying out conservation practices under the 1950 program in accordance with the provisions contained herein and such modifications thereof as may hereafter be made.

#### CONTROL OF FUNDS

- Sec.  
702.1 Allowances.  
702.2 Adjustments.

#### APPROVAL OF CONSERVATION PRACTICES

- 702.6 Basis for approval of practices.  
702.7 State office approval.  
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#### CONSERVATION PRACTICES AND RATES OF ASSISTANCE

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702.12 Practice 2: Applying ground limestone, or its equivalent, to any land except coffee groves.  
702.13 Practice 3: Applying superphosphate ( $P_2O_5$ ), as such, or contained in mixed fertilizer having an available phosphoric acid content of not less than 6 percent, to permanent pasture.  
702.14 Practice 4: Applying muriate of potash ( $K_2O$ ), as such, or contained in mixed fertilizer, to permanent pasture.  
702.15 Practice 5: Applying to any land refuse from sugar mill grinding operations known as filter cake.  
702.16 Practice 6: Applying coarsely shredded pineapple plants to pineapple fields.  
702.17 Practice 7: Establishing permanent pastures by seeding, sodding, or sprigging adapted legumes and grasses or other adapted forage plants.  
702.18 Practice 8: Controlling weeds in permanent pastures by mowing.  
702.19 Practice 9: Planting sweetpotatoes as a cover crop in rotation with tobacco.  
702.20 Practice 10: Brushing pasture.  
702.21 Practice 11: Establishing an adequate system of ditches to carry surface run-off water on land of 10 percent or more slope planted to intertilled crops.  
702.22 Practice 12: Constructing open farm drainage ditches or protecting dikes.  
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702.24 Practice 14: Planting fruit trees for windbreaks or erosion control.  
702.25 Practice 15: Planting adapted trees or shrubs for windbreaks, gully control, or forest purposes.  
702.26 Practice 16: Constructing continuous terraces for protection against erosion.

- Sec.  
702.27 Practice 17: Constructing ditches with either rock or vegetative barrier protection on land having a slope of from 15 to 35 percent.  
702.28 Practice 18: Planting vegetative barriers on land of 10 percent or more slope.  
702.29 Practice 19: Constructing protected outlet channels for carrying run-off water from ditches and terrace systems.  
702.30 Practice 20: Constructing diversion ditches for the protection of cultivated fields against the inflow of run-off water from other areas.  
702.31 Practice 21: Stripcropping.  
702.32 Practice 22: Establishing permanent grasses or legumes in natural waterways.  
702.33 Practice 23: Establishing an adequate system of ditches in coffee groves to carry off surface run-off water on land of 10 percent or more slope.  
702.34 Practice 24: Applying to coffee trees fertilizer of grades approved for coffee by the Insular Department of Agriculture.

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AUTHORITY: §§ 702.1 to 702.78 issued under sec. 4, 49 Stat. 164; 16 U. S. C. 590d. Interpret or apply sec. 1, 49 Stat. 1148-1151, as amended, Pub. Law 146, 81st Cong.; 16 U. S. C. and Sup. 590g-590q.

#### CONTROL OF FUNDS

§ 702.1 *Allowances.* Individual farm allowances will be established so that available funds may be used to obtain the maximum conservation of soil resources.

(a) In the case of cropland and land devoted to bearing orchards, the allowance is \$5.00 per acre for the first 10 acres and \$1.50 per acre for any additional acreage.

(b) In the case of pasture or range land, the allowance is \$1.00 per acre for the first 1,000 acres, and \$.25 per acre for any additional acreage.

(c) Where the practice contained in §§ 702.20 to 702.33 are carried out, an additional allowance is established equal to the amount earned under such practices.

However, if the State office determines that the sum of the payments for all farms participating in the program does not exceed the funds available for Puerto Rico, the allowance for the farm shall be equal to the value of all practices carried out on the farm.

§ 702.2 *Adjustments.* If in Puerto Rico the total estimated earnings under the program exceed the total funds available for assistance, assistance will be reduced equitably.

#### APPROVAL OF CONSERVATION PRACTICES

§ 702.6 *Basis for approval of practices.* Practices included in §§ 702.11 to 702.34 are only those which maintain or increase soil fertility, control or prevent soil erosion caused by water, encourage conservation and better agricultural use of water, or conserve and increase range and pasture forage, and which will not be carried out in desired volume on the basis of relative conservation needs unless assistance is given therefor.

§ 702.7 *State office approval.* Prior approval of the State office is required for the practices contained in §§ 702.20 to 702.33. Such approval shall be conditioned upon carrying out the practices under the supervision of persons designated by the State office.

§ 702.8 *Payment.* Payment will be made at the rates specified and within the limitations set forth in §§ 702.11 to 702.34 for carrying out during the calendar year 1950 any of the conservation practices enumerated in such sections.

#### CONSERVATION PRACTICES AND RATES OF ASSISTANCE

§ 702.11 *Practice 1: Constructing and maintaining mulch terraces around vanilla plants.* The terraces around vanilla plants should cover an area of approximately 15 square feet, and such terraces must be covered with mulch throughout 1950. The mulch applied to the terrace should have a depth of not less than 3 inches and should be protected by closely placed wooden sticks around the perimeter of the terrace. Mulch must be added periodically to conserve its standing and value.

Maximum assistance: \$2.25 per 100 terraces.

§ 702.12 *Practice 2: Applying ground limestone, or its equivalent, to any land except coffee groves.* Credit will not be given for the application of tonnage in excess of 2 tons per acre. Receipts or invoices showing the purchase of calcium carbonate content of the limestone applied, properly dated and signed by the vendor, should be retained for presentation to the farm inspector at the time of inspection.

Maximum assistance: \$3.50 per ton of ground limestone, containing at least 80 percent calcium carbonate equivalent.

§ 702.13 *Practice 3: Applying superphosphate ( $P_2O_5$ ) as such, or contained in mixed fertilizer having an available phosphoric acid content of not less than 6 percent, to permanent pasture.* Re-



ceipts or invoices showing the purchase and analysis of the fertilizer applied, properly dated and signed by the vendor, should be retained for presentation to the farm inspector at the time of inspection.

Maximum assistance: \$0.05 per pound of available  $P_2O_5$ .

**§ 702.14 Practice 4: Applying muriate of potash ( $K_2O$ ) as such, or contained in mixed fertilizer, to permanent pasture.** Receipts or invoices showing the purchase and analysis of the fertilizer applied, properly dated and signed by the vendor, should be retained for presentation to the farm inspector at the time of inspection.

Maximum assistance: \$0.025 per pound of available  $K_2O$ .

**§ 702.15 Practice 5: Applying to any land refuse from sugar mill grinding operations known as filter cake.** The filter cake must be evenly spread over the area to which it is applied, preferably by plowing it into the land. A certificate from the mill showing the tons of filter cake delivered to the participating farmer must be retained for presentation to the farm inspector at the time of inspection. If such certificate is not obtainable, the quantity of filter cake to be applied to the land must be inspected by the farm inspector before the filter cake is plowed into the land or otherwise spread over the land.

Maximum assistance: \$0.50 per ton.

**§ 702.16 Practice 6: Applying coarsely shredded pineapple plants to pineapple fields.** The material must be spread on the land in a solid blanket at least 3 inches thick.

Maximum assistance: \$5.00 per acre.

**§ 702.17 Practice 7: Establishing permanent pastures by seeding, sodding, or sprigging adapted legumes and grasses or other adapted forage plants.** The land must be suitably prepared and sufficient slips, cuttings, or seed used to assure a good stand at maturity. The varieties of grasses must be well adapted to conditions of the particular area to be planted. Any of the following varieties may be used for this purpose: Malojillo (Para grass), Malojilla, Guinea grass, Molasses grass, Elephant grass, Merker grass, Guatemala grass, Tropical kudzu, and millet. Where pasture is established by using seed, the rates of seeding should be not less than 12 pounds per acre, except for Tropical kudzu, where the rate of seeding should be not less than 3 pounds per acre. Where pasture is established by using slips or cuttings, not less than 5,000 slips or cuttings should be used per acre.

Maximum assistance: \$5.00 per acre.

**§ 702.18 Practice 8: Controlling weeds in permanent pastures by mowing.** All weeds on the area mowed must be cut close to the ground so as to discourage any further growth and must be left on the ground and not be burned. The mowings may not be used for hay nor sold for any purpose. This practice is limited to farms on which the practice is carried out in combination with such seeding, liming, and fertilizing measures as are required for the development or

maintenance of a good pasture cover on the acreage mowed. No payment will be made for carrying out this practice if payment is being made for carrying out the practice contained in § 702.20 on the same area.

Maximum assistance: \$0.50 per acre.

**§ 702.19 Practice 9: Planting sweet-potatoes as a cover crop in rotation with tobacco.** When planting the vines, these must be spaced close enough to secure a complete cover of the whole area planted.

Maximum assistance: \$3.50 per acre.

**§ 702.20 Practice 10: Brushing pasture.** Elimination of competitive shrubs and plants on noncrop pasture land. In order to qualify for payment, all of the following shrubs or plants must be eliminated: Santa Maria, Zarza, Tunas, Margarita, Alabaca, Cadillo, and Jaraguazo. No assistance will be given for carrying out this practice on any acreage for which assistance for controlling or eliminating the same competitive plants was given under a previous program. No assistance will be given if it is determined that the area is overgrazed.

Maximum assistance: \$1.50 per acre.

**§ 702.21 Practice 11: Establishing an adequate system of ditches to carry surface run-off water on land of 10 percent or more slope planted to intertilled crops.** Payment will be made when ditch systems have been constructed in accordance with instructions prepared by persons designated by the State office.

Maximum assistance: \$0.12 per cubic yard of earth moved.

**§ 702.22 Practice 12: Constructing open farm drainage ditches or protecting dikes.** Payment will be made for the construction or enlargement of drainage ditches for draining farm land. Ditches must be provided with adequate outlets and so constructed as to provide effective drainage for the area to be drained. The dike must be located and constructed in accordance with prior approved plans to divert the flow of water from other areas away from the area to be drained. No assistance will be given for cleaning or maintaining existing ditches or dikes.

Maximum assistance: \$0.12 per cubic yard of earth moved.

**§ 702.23 Practice 13: Constructing farm ponds to provide water for livestock or for irrigation purposes.** No assistance will be given for cleaning or maintaining an existing structure, or for repairs or maintenance of a dam or reservoir. Approval of the construction of a livestock pond will not be given if the State office determines that the area to be served by the development is overgrazed.

Maximum assistance: (a) \$0.12 per cubic yard of earth moved in the construction of an earth dam.

(b) \$10.00 per cubic yard of concrete used in the construction of a concrete dam.

(c) \$0.12 per cubic yard of earth moved in the excavation of a reservoir.

**§ 702.24 Practice 14: Planting fruit trees for windbreaks or erosion control.** Trees must be protected from fire and grazing. Payment will be made for not

more than 100 fruit trees planted on a farm.

Maximum assistance: \$0.05 per tree.

**§ 702.25 Practice 15: Planting adapted trees or shrubs for windbreaks, gully control, or forest purposes.** Plantings must be protected from fire and grazing.

Maximum assistance: \$1.00 per 100 trees or shrubs.

**§ 702.26 Practice 16: Constructing continuous terraces for protection against erosion.** In order to qualify for payment, a channel or Nichols type terrace shall be constructed on land having a slope of from 2 to 15 percent. The water carrying cross-sectional area of the channel, depending upon the slope of the land, may vary from  $5\frac{1}{2}$  square feet on land of 15 percent slope to 8 square feet on land of 2 percent slope. Necessary outlets and waterways must be provided. The vertical distances between terraces on the various land slopes shall be as follows:

Slope of land (percent):	Vertical distances between terraces
2	2 feet 9 inches
3	3 feet 0 inches
4	3 feet 3 inches
5	3 feet 6 inches
6	3 feet 9 inches
7	4 feet 0 inches
8	4 feet 3 inches
9	4 feet 6 inches
10	4 feet 9 inches
11	5 feet 0 inches
12	5 feet 3 inches
13	5 feet 6 inches
14	5 feet 9 inches
15	6 feet 0 inches

Maximum assistance: \$1.25 per 100 linear feet.

**§ 702.27 Practice 17: Constructing ditches with either rock or vegetative barrier protection on land having a slope of from 15 to 35 percent.** Credit will be allowed when the ditches and barriers are constructed and planted in accordance with the following specifications:

(a) The vertical interval between ditches must not exceed 9 feet.

(b) The grade and cross-section of the ditch must be such as to carry water at a non-scouring velocity.

(c) The barrier must be planted at least 6 inches above the upper edge of the ditch.

(d) Any of the following varieties of grasses may be used:

(1) Tall stiff-stemmed grasses: Elephant grass, Merker grass, Guatemala grass, and Guinea grass.

(2) Sod-forming grasses: Bermuda grass, St. Augustine grass, Sour paspalum grass, and Carpet grass.

The average width and depth of ditches cannot be less than 15 and 12 inches, respectively. The cross-section of the channel shall average not less than 1.25 square feet. No assistance will be given for cleaning or maintaining a ditch.

Maximum assistance: \$0.70 per 100 linear feet.

**§ 702.28 Practice 18: Planting vegetative barriers on land of 10 percent or more slope.** Credit will be allowed when the grasses forming the barriers are planted in accordance with the following specifications:



(a) Any of the grasses listed under the practice contained in § 702.17 may be used and must be planted along contour lines.

(b) The vertical distance between the barriers must not exceed 9 feet.

(c) When cuttings of stiff-stemmed grasses are used, two rows 6 inches apart must be planted. When clump divisions of such grasses are used, the rows must be approximately 6 inches wide.

(d) When sod-forming grasses are used, the planted rows must be approximately 3 feet wide.

No credit will be given under this practice if the barriers are constructed in connection with ditches constructed under the practice contained in § 702.27.

Maximum assistance: \$0.25 per 100 linear feet.

§ 702.29 *Practice 19: Constructing protected outlet channels for carrying run-off water from ditches and terrace systems.* The width, depth, and side slope of the channel should depend on the amount of water to be carried. In no event, however, can the measurements of such elements average less than 24, 18, and 22 inches, respectively. The cross-section of the channel shall average not less than 3.5 square feet. The bottom and sides of the channel must be protected with sod-forming grasses (listed in § 702.17) planted sufficiently close to prevent any soil washing within the channel. The width of the area seeded or sodded shall average not less than 3 feet.

Maximum assistance: \$1.50 per 100 linear feet.

§ 702.30 *Practice 20: Constructing diversion ditches for the protection of cultivated fields against the inflow of run-off water from other areas.* In order to qualify for payment, diversion ditches must be constructed above clean cultivated fields, and must have sufficient width and depth to prevent the entering of run-off water from higher areas into the cultivated fields. In no event, however, can the average measurements of the width, depth, and the side slopes average less than 24, 18, and 22 inches, respectively. The cross-section of the channel shall average not less than 3.5 square feet.

Maximum assistance: \$1.25 per 100 linear feet.

§ 702.31 *Practice 21: Stripcropping.* Planting of alternate strips of clean-tilled crops and noncultivated grasses or legumes which will prevent soil washing. Contour lines must be established and all cultural operations performed as nearly as practicable on the contour. The spacing and width of the strips will require prior approval by persons designated by the State office.

Maximum assistance: \$0.75 per acre.

§ 702.32 *Practice 22: Establishing permanent grasses or legumes in natural waterways.* Maximum assistance: \$0.75 per \$1,000 square feet established by shaping and seeding or sodding.

§ 702.33 *Practice 23: Establishing an adequate system of ditches in coffee groves to carry off surface run-off water on land of 10 percent or more slope.*

Ditches must be constructed in accordance with plans and instructions for a farm prepared by persons designated by the State office.

Maximum assistance: \$0.12 per cubic yard of earth moved.

§ 702.34 *Practice 24: Applying to coffee trees fertilizer of grades approved for coffee by the Insular Department of Agriculture.* (a) The fertilizer must be applied on (1) the designated parcel on which terraces or catch pits were constructed and maintained during 1950 in accordance with specifications approved by the State office, or (2) the acreage of coffee trees on which terraces were constructed under previous agricultural conservation programs and maintained in 1950. To be eligible for payment, the farmer must properly prune and thin the coffee trees on the designated parcel, and maintain thereon the accumulated forest litter (including grass), removing only such portion thereof as may be necessary to facilitate harvesting operations. Receipts or invoices showing the purchase and analysis of fertilizer applied (except for fertilizer furnished by the ACP Branch as provided below), properly dated and signed by the vendor, should be retained for presentation to the farm inspector at the time of inspection.

(b) In order to facilitate the financing of the purchase of fertilizers for this practice only (not for the practices contained in §§ 702.13 and 702.14), these conservation materials may be furnished, on purchase orders, by the ACP Branch to producers for carrying out this practice. Materials may not be furnished to producers who are on the Register of Indebtedness, except in those cases where the agency to which the debt is owed notifies the ACP Branch that it temporarily waives its rights for set-off in order to permit the furnishing of materials.

(c) Title to any material distributed by the ACP Branch shall vest in the ACP Branch until the material is applied, or all charges for the material are satisfied.

(d) The producer shall pay that part of the cost of the material, as established by the ACP Branch, which is in excess of the credit for the use of the material in carrying out approved practices. The small payment increase on an amount equivalent to the credit value of properly used conservation materials may be advanced as a credit against that part of the cost required to be paid by the producer.

(e) A deduction shall be made for materials furnished by the ACP Branch from the payment of the producer to whom materials are furnished. The deduction shall be the sum of the credit value of the conservation materials furnished and any amount of small payment increase advanced to the producer.

(f) If the producer misuses any material furnished, an additional deduction equal to the original amount of the deduction, excluding any amount of small payment increase advanced to the producer, for the material misused shall be made. Materials will be considered as misused in the following instances:

(1) Where the State office determines that any conservation material has been applied to a crop other than coffee, unless failure to properly use the material was due to conditions beyond the producer's control.

(2) Where the State office determines that material has been willfully or negligently destroyed, or has been rendered unusable, by the producer.

(3) Where the State office determines that a producer has disposed of material by sale, barter, or some other unauthorized means.

(4) Where the State office is unable to determine the use or disposition of material because of the failure of a producer to furnish requested information by the closing date designated by the ACP Branch for filing performance reports. However, if the requested information is filed at a later date and the material was properly used, the material will not be considered as misused.

(g) If the deduction for the materials exceeds the payment for the producer to whom the materials are furnished, the amount of the difference shall be paid by the producer to the Treasurer of the United States.

(h) Any producer to whom materials are furnished shall be responsible to the ACP Branch for any damage to the materials, unless he shows that the damage was caused by circumstances beyond his control. If materials are abandoned or not used during the program year, they may, at the option of the State office, be transferred to another producer or otherwise disposed of by the State office at the expense of the producer who abandoned or failed to use the material, or be retained by the producer for use in a subsequent program year.

Maximum assistance: 80 percent of the cost f. o. b. mixing plant for the grade of material.

#### PAYMENTS

§ 702.41 *Division of payment—(a) Conservation practice payments.* The payment earned in carrying out the practice contained in § 702.34 with fertilizer furnished by the ACP Branch shall be credited to the producer to whom the fertilizer is furnished, and it shall have priority over payment for other practices. The payment earned in carrying out other practices shall be paid to the producer who carried out the practices. If more than one producer contributed to the carrying out of such practices, the payment shall be divided in the proportion that the State office determines the producers contributed to the carrying out of the practices. In making this determination, the State office shall take into consideration the value of the labor, equipment, or material contributed by each producer toward the carrying out of each practice on a particular acreage, assuming that each contributed equally, unless it is established to the satisfaction of the State office that their respective contributions thereto were not in equal proportion. The furnishing of land will not be considered as a contribution to the carrying out of any practice.



(b) *Death, incompetency, or disappearance of producer.* In case of death, incompetency, or disappearance of any producer, his share of the payment shall be paid to his successor, determined in accordance with the provisions of the regulations in ACP-122, as amended (5 F. R. 2875, 6 F. R. 1647, 4430; 9 F. R. 12237).

§ 702.42 *Increase in small payments.* The payment computed for any person with respect to any farm shall be increased as follows:

(a) Any payment amounting to \$0.71 or less shall be increased to \$1.00.

(b) Any payment amounting to more than \$0.71, but less than \$1.00, shall be increased by 40 percent.

(c) Any payment amounting to \$1.00 or more shall be increased in accordance with the following schedule:

Amount of payment computed	Increase in payment	Amount of payment computed	Increase in payment
\$1 to \$1.99	\$0.40	\$32 to \$32.99	\$10.40
\$2 to \$2.99	.80	\$33 to \$33.99	10.60
\$3 to \$3.99	1.20	\$34 to \$34.99	10.80
\$4 to \$4.99	1.60	\$35 to \$35.99	11.00
\$5 to \$5.99	2.00	\$36 to \$36.99	11.20
\$6 to \$6.99	2.40	\$37 to \$37.99	11.40
\$7 to \$7.99	2.80	\$38 to \$38.99	11.60
\$8 to \$8.99	3.20	\$39 to \$39.99	11.80
\$9 to \$9.99	3.60	\$40 to \$40.99	12.00
\$10 to \$10.99	4.00	\$41 to \$41.99	12.10
\$11 to \$11.99	4.40	\$42 to \$42.99	12.20
\$12 to \$12.99	4.80	\$43 to \$43.99	12.30
\$13 to \$13.99	5.20	\$44 to \$44.99	12.40
\$14 to \$14.99	5.60	\$45 to \$45.99	12.50
\$15 to \$15.99	6.00	\$46 to \$46.99	12.60
\$16 to \$16.99	6.40	\$47 to \$47.99	12.70
\$17 to \$17.99	6.80	\$48 to \$48.99	12.80
\$18 to \$18.99	7.20	\$49 to \$49.99	12.90
\$19 to \$19.99	7.60	\$50 to \$50.99	13.00
\$20 to \$20.99	8.00	\$51 to \$51.99	13.10
\$21 to \$21.99	8.20	\$52 to \$52.99	13.20
\$22 to \$22.99	8.40	\$53 to \$53.99	13.30
\$23 to \$23.99	8.60	\$54 to \$54.99	13.40
\$24 to \$24.99	8.80	\$55 to \$55.99	13.50
\$25 to \$25.99	9.00	\$56 to \$56.99	13.60
\$26 to \$26.99	9.20	\$57 to \$57.99	13.70
\$27 to \$27.99	9.40	\$58 to \$58.99	13.80
\$28 to \$28.99	9.60	\$59 to \$59.99	13.90
\$29 to \$29.99	9.80	\$60 to \$185.99	14.00
\$30 to \$30.99	10.00	\$186 to \$199.99	(1)
\$31 to \$31.99	10.20	\$200 and over	(2)

<sup>1</sup> Increase to \$200.

<sup>2</sup> No increase.

§ 702.43 *Payments limited to \$2,500.* The total of all payments made in connection with the 1950 program to any person with respect to farms, ranching units, and turpentine places in the United States (including Alaska, Hawaii, Puerto Rico, and the Virgin Islands) shall not exceed the sum of \$2,500. All or any part of any payment which has been or otherwise would be made to any person under the 1950 program may be withheld, or required to be refunded, if he has adopted, or participated in adopting, any scheme or device designed to evade, or which has the effect of evading, the provisions of this section.

#### GENERAL PROVISIONS RELATING TO PAYMENT

§ 702.46 *Failure to maintain practices under previous programs.* If the State office determines that any conservation practice carried out under previous agricultural conservation programs is not maintained in accordance with good farming practices, or the effectiveness of any such practice is destroyed during the 1950 program year, a deduction shall be made for the extent of the practice destroyed or not maintained. The deduc-

tion rate shall be the 1950 practice rate or, if the practice is not offered in 1950, the practice rate in effect during the year the practice was performed. The deduction shall be made from the payment of the person responsible for destroying or not maintaining the practice after the payment has been increased in accordance with the provisions of § 702.42.

§ 702.47 *Practices defeating purposes of programs.* If the State office finds that any producer has adopted, or participated in adopting, any practice which tends to defeat the purposes of the 1950 or previous agricultural conservation programs, it may withhold, or require to be refunded, all or any part of any payment which has been or would be computed for such person.

§ 702.48 *Depriving others of payment.* If the State office finds that any person has employed any scheme or device (including coercion, fraud, or misrepresentation), the effect of which would be or has been to deprive any other person of any payment under the program, it may withhold, in whole or in part, from the person participating in or employing such a scheme or device, or require him to refund, in whole or in part, the amount of any payment which has been or would otherwise be made to him in connection with the 1950 program.

§ 702.49 *Failure to carry out approved erosion-control measures.* Payment will not be made to any person with respect to any farm which he owns or operates in Puerto Rico, if the State office finds that he has been negligent and careless in his farming operations by failing to carry out approved erosion-control measures on land under his control to the extent that any part of such land has become an erosion hazard during the 1950 program year to other land in the community.

§ 702.50 *Payment computed and made without regard to claims.* Any payment or share of payment shall be computed and made without regard to questions of title under State laws; without deduction of claims for advances (except as provided in § 702.51 and except for indebtedness to the United States subject to set-off under orders issued by the Secretary (12 F. R. 1187)); and without regard to any claim or lien against any crop, or proceeds thereof, in favor of the owner or any other creditor.

§ 702.51 *Assignments.* Any person who may be entitled to any payment in connection with the 1950 program may assign his payment, in whole or in part, as security for cash loaned or advances made for the purpose of financing the making of a crop in 1950. No assignment will be recognized, unless it is made in writing on Form ACP-69 and in accordance with the instructions in ACP-70—Insular Region.

§ 702.52 *Practices carried out with State or Federal aid.* The extent of any practice shall not be reduced because it is carried out with material furnished by the Agricultural Conservation Programs Branch, Production and Marketing Administration, or by any agency of Puerto Rico to another agency of Puerto Rico.

In other cases of State or Federal aid, the extent of any practice carried out shall be reduced for purposes of payment by twice the percentage of the total cost of the practice which the State office determines was furnished by a State or Federal agency or any agency of the Government of Puerto Rico.

§ 702.53 *Excess cotton acreage.* Any person who knowingly plants cotton, or causes cotton to be planted, on his farm in 1950 in excess of the cotton acreage allotment under section 344 of the Agricultural Adjustment Act of 1938, as amended, for the farm in 1950 shall not be eligible for any payment whatsoever on that farm or any other farm for programs for 1950 under sections 7-17, inclusive, of the Soil Conservation and Domestic Allotment Act, as amended. Any person having an interest in the cotton crop on a farm on which cotton is planted in 1950 on an acreage in excess of such cotton acreage allotment for the farm for 1950 shall be presumed to have knowingly planted cotton on his farm on acreage in excess of such farm cotton acreage allotment if notice of the farm allotment is mailed to him prior to the completion of the planting of cotton on the farm, unless the farmer establishes the fact that the excess acreage was planted due to his lack of knowledge of the number of acres in the tract(s) planted to cotton. Such notice, if mailed to the operator of the farm, shall be deemed to be notice to all persons sharing in the production of cotton on the farm in 1950. Cotton will not be deemed to have been planted on any farm in excess of the farm acreage allotment if the producers on the farm, after the acreage originally planted to cotton has been determined, adjust the planted acreage to the farm acreage allotment prior to the date set in accordance with instructions issued by the Assistant Administrator for Production, Production and Marketing Administration, which date shall afford a reasonable time for making such adjustments.

§ 702.56 *Persons eligible to file applications.* An application for payment with respect to a farm may be made by any producer who is entitled to share in the payment determined for the farm.

§ 702.57 *Time and manner of filing applications and information required.* Notwithstanding any other provision of this bulletin, cash payments amounting to less than \$1.00 will not be made. Cash payment will be made only upon application submitted on the prescribed form to the Production and Marketing Administration district office not later than February 28, 1951. If an application for a farm is filed within the time prescribed, any producer on the farm who did not sign the application may subsequently apply for his share of payment, provided he does so before December 31, 1951. Where fertilizers are furnished by the ACP Branch, there need be reported on the application for payment with respect to such fertilizer only the total credit and deduction value of the fertilizer furnished. Payment may be withheld from any person who fails to file any form or furnish any informa-



tion required with respect to any farm which such person is operating or renting to another. Any application for payment may be rejected, if any form or information required of the applicant is not submitted to the district office within the time fixed by the Director, ACP Branch, which time shall be not later than December 31, 1951. At least two weeks' notice to the public shall be given of the expiration of a time limit for filing prescribed forms or required information, and any time limit fixed shall afford a full and fair opportunity to those eligible to file the form or information within the period prescribed. Such notice shall be given by mailing notice to the Production and Marketing Administration district offices, the Agricultural Extension Service offices, the local offices of the Puerto Rico Coffee Industry Rehabilitation Commission, and making copies available to the press.

#### APPEALS

§ 702.61 *Appeals.* Any producer may, within 15 days after notice thereof is forwarded to or made available to him, request the State office in writing to reconsider its recommendation or determination in any matter affecting the right to or the amount of his payment with respect to the farm. The State office shall notify him of its decision in writing within 15 days after receipt of written request for reconsideration. If the producer is dissatisfied with the decision of the State office, he may, within 15 days after its decision is forwarded to or made available to him, request the Director, ACP Branch, to review the decision of the State office. Written notice of any decision rendered under this section by the State office shall also be issued to each other producer on the farm who may be adversely affected by the decision.

#### BULLETINS, INSTRUCTIONS, AND FORMS

§ 702.66 *Bulletins, instructions, and forms.* The ACP Branch is authorized to make determinations and to prepare and issue bulletins, instructions, and forms containing detailed information with respect to the 1950 program as it applies to Puerto Rico, and forms will be available in the State and district offices of the Production and Marketing Administration. Producers wishing to participate in the program should obtain all information needed from the offices mentioned herein.

#### DEFINITIONS

§ 702.71 *Definitions.* For the purposes of the 1950 program:

(a) "Secretary" means the Secretary of Agriculture of the United States.

(b) "Director" means the Director of the Agricultural Conservation Programs Branch, Production and Marketing Administration.

(c) "State office" means the Caribbean area office, Production and Marketing Administration, San Juan, Puerto Rico.

(d) "State committee" or "county committee" means the person in charge of the Caribbean area office, Produc-

tion and Marketing Administration, San Juan, Puerto Rico, or persons to whom the person in charge has delegated authority to perform certain duties.

(e) "Technical committee" means the group of agricultural technicians selected by the State committee to advise the State committee in the selection and development of conservation practices for the agricultural conservation program.

(f) "Person" means an individual, partnership, association, corporation, estate, or trust, or other business enterprise or other legal entity, and, wherever applicable, a State, Territory, or Possession, or a political subdivision or agency thereof.

(g) "Producer" or "Operator" means any person, who, as landlord, tenant, or sharecropper, participates in the operation of a farm.

(h) "Farm" means all adjacent or nearby farm or range land under the same ownership which is operated by one person, including also:

(1) Any other adjacent or nearby farm or range land which the State office, in accordance with instructions issued by the ACP Branch, determines is operated by the same person as part of the same unit in producing range livestock or with respect to the rotation of crops, and with workstock, farm machinery, and labor substantially separate from that for any other land; and

(2) Any field-rented tract (whether operated by the same or another person) which, together with any other land included in the farm, constitutes a unit with respect to the rotation of crops.

A farm shall be regarded as located in the municipality in which the principal dwelling is situated, or, if there is no dwelling thereon, it shall be regarded as located in the municipality in which the major portion of the farm is located.

(i) "Cropland" means farm land which in 1949 was tilled or was in regular crop rotation, excluding bearing orchards and plowable noncrop open pasture.

(j) "Designated parcel" means the acreage designated by the State office within the coffee bearing area of a farm on which prescribed practices are to be carried out.

(k) "Orchards" means the acreage in planted fruit trees, nut trees, coffee trees, vanilla plants, and banana plants.

(l) "Pasture land" means farm land, other than range land, on which the predominant growth is forage suitable for grazing and on which the spacing of any trees or shrubs is such that the land could not fairly be considered as woodland.

(m) "Range land" means any land which produces, or can produce, forage suitable for grazing by range livestock without cultivation or general irrigation.

(n) "Land area" will be determined on the basis that one cuerda equals 0.97 acres.

(o) "Program year" means the period from January 1, 1950, through December 31, 1950, during which conservation practices must be carried out to be eligible for assistance.

#### AUTHORITY, AVAILABILITY OF FUNDS, AND APPLICABILITY

§ 702.76 *Authority.* The program is approved pursuant to the authority vested in the Secretary of Agriculture under secs. 7-17, inclusive, of the Soil Conservation and Domestic Allotment Act, as amended (49 Stat. 1148; 16 U. S. C. 590g-590q).

§ 702.77 *Availability of funds.* The provisions of the 1950 program are necessarily subject to such legislation as the Congress of the United States may hereafter enact; the making of the payments herein provided is contingent upon such appropriation as the Congress may hereafter provide for such purpose; and the amounts of such payments will necessarily be within the limits finally determined by such appropriation.

The funds provided for the 1950 program will not be available for the payment of applications filed in Production and Marketing Administration district offices in Puerto Rico after December 31, 1951.

§ 702.78 *Applicability.* (a) The provisions of the 1950 program contained herein are not applicable to (1) any department or bureau of the United States Government or any corporation wholly owned by the United States; (2) grazing lands owned by the United States which were acquired or reserved for conservation purposes, or which are to be retained permanently under Government ownership, including, but not limited to, grazing lands administered by the Forest Service or the Soil Conservation Service of the United States Department of Agriculture; and (3) non-private persons for performance on any land owned by the United States or a corporation wholly owned by it.

(b) The program is applicable to (1) privately owned lands, (2) lands owned by Puerto Rico or a political subdivision or agency thereof; (3) lands owned by corporations which are partly owned by the United States, such as Federal land banks and production credit associations; (4) lands temporarily owned by the United States or a corporation wholly owned by it which were not acquired or reserved for conservation purposes, including lands administered by the Farmers Home Administration, the Reconstruction Finance Corporation, the Home Owners' Loan Corporation, the Federal Farm Mortgage Corporation, the departments comprising the National Military Establishment, or by any other Government agency designated by the ACP Branch; and (5) any cropland farmed by private persons which is owned by the United States or a corporation wholly owned by it.

Done at Washington, D. C., this 28th day of December 1949. Witness my hand and the seal of the Department of Agriculture.

[SEAL] CHARLES F. BRANNAN,  
Secretary of Agriculture.

[F. R. Doc. 49-10613; Filed, Dec. 30, 1949; 8:52 a. m.]



**Chapter IX—Production and Marketing Administration (Marketing Agreements and Orders), Department of Agriculture**

[Grapefruit Reg. 123]

**PART 933—ORANGES, GRAPEFRUIT, AND TANGERINES GROWN IN FLORIDA**

**LIMITATION OF SHIPMENTS**

**§ 933.462 Grapefruit Regulation 123—**

(a) *Findings.* (1) Pursuant to the marketing agreement, as amended, and Order No. 33, as amended (7 CFR, Part 933), regulating the handling of oranges, grapefruit, and tangerines grown in the State of Florida, effective under the applicable provisions of the Agricultural Marketing Agreement Act of 1937, as amended, and upon the basis of the recommendations of the committees established under the aforesaid amended marketing agreement and order, and upon other available information, it is hereby found that the limitation of shipments of grapefruit, as hereinafter provided, will tend to effectuate the declared policy of the act.

(2) It is hereby further found that it is impracticable and contrary to the public interest to give preliminary notice, engage in public rule making procedure, and postpone the effective date of this section until 30 days after publication thereof in the FEDERAL REGISTER (60 Stat. 237; 5 U. S. C. 1001 et seq.) because the time intervening between the date when information upon which this section is based became available and the time when this section must become effective in order to effectuate the declared policy of the act is insufficient; a reasonable time is permitted, under the circumstances, for preparation for such effective time; and good cause exists for making the provisions hereof effective not later than January 2, 1950. Shipments of grapefruit, grown in the State of Florida, have been subject to regulation by grades and sizes, pursuant to the amended marketing agreement and order, since September 12, 1949, and will so continue until January 2, 1950; the recommendation and supporting information for continued regulation subsequent to January 1 was promptly submitted to the Department after an open meeting of the Growers Administrative Committee on December 27; such meeting was held to consider recommendations for regulation after giving due notice of such meeting, and interested persons were afforded an opportunity to submit their views at this meeting; the provisions of this section, including the effective time thereof, are identical with the aforesaid recommendation of the committee, and information concerning such provisions and effective time has been disseminated among handlers of such grapefruit; it is necessary, in order to effectuate the declared policy of the act, to make this section effective during the period hereinafter set forth so as to provide for the continued regulation of the handling of grapefruit; and compliance with this section will not require any special preparation on the part of

persons subject thereto which cannot be completed by the effective time hereof.

(b) *Order.* (1) During the period beginning at 12:01 a. m., e. s. t., January 2, 1950, and ending at 12:01 a. m., e. s. t., July 31, 1950, no handler shall ship:

(i) Any grapefruit of any variety, grown in the State of Florida, which do not grade at least U. S. No. 2 Russet;

(ii) Any seeded grapefruit, other than pink grapefruit, grown in the State of Florida, which are of a size smaller than a size that will pack 80 grapefruit, packed in accordance with the requirements of a standard pack, in a standard nailed box;

(iii) Any seedless grapefruit, other than pink grapefruit, grown in the State of Florida, which are of a size smaller than a size that will pack 112 grapefruit, packed in accordance with the requirements of a standard pack, in a standard nailed box; or

(iv) Any pink grapefruit, grown in the State of Florida, which are of a size smaller than a size that will pack 126 grapefruit, packed in accordance with the requirements of a standard pack, in a standard nailed box.

(2) As used in this section, "handler," "variety," "ship," and "Growers Administrative Committee" shall have the same meaning as when used in said amended marketing agreement and order; and "U. S. No. 2 Russet," "standard pack," and "standard nailed box" shall have the same meaning as when used in the revised United States Standards for Grapefruit (7 CFR 51.191; 14 F. R. 6828).

(48 Stat. 31, as amended; 7 U. S. C. 601 et seq.; 7 CFR, Part 933)

Done at Washington, D. C., this 29th day of December 1949.

[SEAL] S. R. SMITH,  
Director, Fruit and Vegetable  
Branch, Production and Marketing Administration.

[F. R. Doc. 49-10618; Filed, Dec. 30, 1949; 8:56 a.m.]

49-6823  
[Orange Reg. 176]

**PART 933—ORANGES, GRAPEFRUIT, AND TANGERINES GROWN IN FLORIDA**

**LIMITATION OF SHIPMENTS**

**§ 933.463 Orange Regulation 176—**

(a) *Findings.* (1) Pursuant to the marketing agreement, as amended, and Order No. 33, as amended (7 CFR, Part 933), regulating the handling of oranges, grapefruit, and tangerines grown in the State of Florida, effective under the applicable provisions of the Agricultural Marketing Agreement Act of 1937, as amended, and upon the basis of the recommendations of the committees established under the aforesaid amended marketing agreement and order, and upon other available information, it is hereby found that the limitation of shipments of oranges, as hereinafter provided, will tend to effectuate the declared policy of the act.

(2) It is hereby further found that it is impracticable and contrary to the public interest to give preliminary notice, engage in public rule making procedure,

and postpone the effective date of this section until 30 days after publication thereof in the FEDERAL REGISTER (60 Stat. 237; 5 U. S. C. 1001 et seq.) because the time intervening between the date when information upon which this section is based became available and the time when this section must become effective in order to effectuate the declared policy of the act is insufficient; a reasonable time is permitted, under the circumstances, for preparation for such effective time; and good cause exists for making the provisions hereof effective not later than January 2, 1950. Shipments of oranges, grown in the State of Florida, have been subject to regulation by grades and sizes, pursuant to the amended marketing agreement and order, since September 12, 1949, and will so continue until January 2, 1950; the recommendation and supporting information for continued regulation subsequent to January 1 was promptly submitted to the Department after an open meeting of the Growers Administrative Committee on December 27; such meeting was held to consider recommendations for regulation, after giving due notice of such meeting, and interested persons were afforded an opportunity to submit their views at this meeting; the provisions of this section, including the effective time thereof, are identical with the aforesaid recommendation of the committee, and information concerning such provisions and effective time has been disseminated among handlers of such oranges; it is necessary, in order to effectuate the declared policy of the act, to make this section effective during the period hereinafter set forth so as to provide for the continued regulation of the handling of oranges; and compliance with this section will not require any special preparation on the part of persons subject thereto which cannot be completed by the effective time hereof.

(b) *Order.* (1) During the period beginning at 12:01 a. m., e. s. t., January 2, 1950, and ending at 12:01 a. m., e. s. t., January 9, 1950, no handler shall ship:

(i) Any oranges, except Temple oranges, grown in Regulation Area I which grade U. S. No. 1 Russet, U. S. No. 2 Bright, U. S. No. 2, U. S. No. 2 Russet, U. S. No. 3, or lower than U. S. No. 3 grade;

(ii) Any oranges, except Temple oranges, grown in Regulation Area II which grade U. S. No. 2 Russet, U. S. No. 3, or lower than U. S. No. 3 grade;

(iii) Any oranges, except Temple oranges, grown in Regulation Area II which grade U. S. No. 2 or U. S. No. 2 Bright unless such oranges (a) are in the same container with oranges which grade at least U. S. No. 1 Russet and (b) are not in excess of 50 percent, by count, of the number of all oranges in such container;

(iv) Any oranges, except Temple oranges, grown in Regulation Area I or Regulation Area II which are of a size (a) smaller than a size that will pack 252 oranges, packed in accordance with the requirements of a standard pack, in a standard nailed box, or (b) larger than a size that will pack 126 oranges, packed in accordance with the requirements of



a standard pack, in a standard nailed box; or

(v) Any Temple oranges, grown in Regulation Area I or Regulation Area II, which grade U. S. No. 3, or lower than U. S. No. 3 grade.

(2) As used in this section, the terms "handler," "ship," "Regulation Area I," "Regulation Area II," and "Growers Administrative Committee" shall each have the same meaning as when used in said amended marketing agreement and order; and the terms "U. S. No. 1 Russet," "U. S. No. 2 Bright," "U. S. No. 2," "U. S. No. 2 Russet," "U. S. No. 3," "standard pack," "container," and "standard nailed box" shall each have the same meaning as when used in the revised United States Standards for Oranges (7 CFR 51.192; 14 F. R. 6831).

(48 Stat. 31, as amended; 7 U. S. C. 601 et seq.; 7 CFR, Part 933)

Done at Washington, D. C., this 29th day of December 1949.

[SEAL] S. R. SMITH,  
Director, Fruit and Vegetable  
Branch, Production and Mar-  
keting Administration.

[F. R. Doc. 49-10617; Filed, Dec. 30, 1949;  
8:56 a. m.]

15-6824  
[Tangerine Reg. 89]

PART 933—ORANGES, GRAPEFRUIT, AND  
TANGERINES GROWN IN FLORIDA

LIMITATION OF SHIPMENTS

§ 933.464 Tangerine Regulation 89—

(a) Findings. (1) Pursuant to the marketing agreement, as amended, and Order No. 33, as amended (7 CFR, Part 933), regulating the handling of oranges, grapefruit, and tangerines grown in the State of Florida, effective under the applicable provisions of the Agricultural Marketing Agreement Act of 1937, as amended, and upon the basis of the recommendations of the committees established under the aforesaid amended marketing agreement and order, and upon other available information, it is hereby found that the limitation of shipments of tangerines, as hereinafter provided, will tend to effectuate the declared policy of the act.

(2) It is hereby further found that it is impracticable and contrary to the public interest to give preliminary notice, engage in public rule making procedure, and postpone the effective date of this section until 30 days after publication thereof in the FEDERAL REGISTER (60 Stat. 237; 5 U. S. C. 1001 et seq.) because the time intervening between the date when information upon which this section is based became available and the time when this section must become effective in order to effectuate the declared policy of the act is insufficient; a reasonable time is permitted, under the circumstances, for preparation for such effective time; and good cause exists for making the provisions hereof effective not later than January 2, 1950. Shipments of tangerines, grown in the State of Florida, have been subject to regulation by grades and sizes, pursuant to the

amended marketing agreement and order, since October 31, 1949, and will so continue until January 2, 1950; the recommendation and supporting information for continued regulation subsequent to January 1 was promptly submitted to the Department after an open meeting of the Growers Administrative Committee on December 27; such meeting was held to consider recommendations for regulation, after giving due notice of such meeting, and interested persons were afforded an opportunity to submit their views at this meeting; the provisions of this section, including the effective time thereof, are identical with the aforesaid recommendation of the committee, and information concerning such provisions and effective time has been disseminated among handlers of such tangerines; it is necessary, in order to effectuate the declared policy of the act, to make this section effective during the period hereinafter set forth so as to provide for the continued regulation of the handling of tangerines; and compliance with this section will not require any special preparation on the part of persons subject thereto which cannot be completed by the effective time hereof.

(b) Order. (1) During the period beginning at 12:01 a. m., e. s. t., January 2, 1950, and ending at 12:01 a. m., e. s. t., January 9, 1950, no handler shall ship:

(i) Any tangerines, grown in the State of Florida, that do not grade at least U. S. No. 2; or

(ii) Any tangerines, grown in the State of Florida, which are of a size smaller than the size that will pack 176 tangerines, packed in accordance with the requirements of a standard pack, in a half-standard box (inside dimensions 9½ x 9½ x 19½ inches; capacity 1,726 cubic inches).

(2) As used in this section, "handler," "ship," and "Growers Administrative Committee" shall have the same meaning as when used in said amended marketing agreement and order; and "U. S. No. 2" and "standard pack" shall have the same meaning as when used in the United States Standards for Tangerines (7 CFR 51.416).

(48 Stat. 31, as amended; 7 U. S. C. 601 et seq.; 7 CFR, Part 933)

Done at Washington, D. C., this 29th day of December 1949.

[SEAL] S. R. SMITH,  
Director, Fruit and Vegetable  
Branch, Production and Mar-  
keting Administration.

[F. R. Doc. 49-10620; Filed, Dec. 30, 1949;  
8:57 a. m.]

15-6825  
[Grapefruit Reg. 67]

PART 955—GRAPEFRUIT GROWN IN ARIZONA; IN IMPERIAL COUNTY, CALIF.; AND IN THAT PART OF RIVERSIDE COUNTY, CALIF., SITUATED SOUTH AND EAST OF THE SAN GORGONIO PASS

LIMITATION OF SHIPMENTS

§ 955.328 Grapefruit Regulation 67—

(a) Findings. (1) Pursuant to the marketing agreement, as amended, and Order No. 55, as amended (7 CFR, Part

955; 14 F. R. 6803), regulating the handling of grapefruit grown in the State of Arizona; in Imperial County, California; and in that part of Riverside County, California, situated south and east of the San Geronio Pass, effective under the applicable provisions of the Agricultural Marketing Agreement Act of 1937, as amended, and upon the basis of the recommendations of the Administrative Committee (established under the aforesaid amended marketing agreement and order), and upon other available information, it is hereby found that the limitation of shipments of grapefruit, as hereinafter provided, will tend to effectuate the declared policy of the act.

(2) It is hereby further found that it is impracticable and contrary to the public interest to give preliminary notice, engage in public rule making procedure, and postpone the effective date of this section until 30 days after publication thereof in the FEDERAL REGISTER (60 Stat. 237; 5 U. S. C. 1001 et seq.) because the time intervening between the date when information upon which this section is based became available and the time when this section must become effective in order to effectuate the declared policy of the act is insufficient; a reasonable time is permitted, under the circumstances, for preparation for such effective time; and good cause exists for making the provisions hereof effective not later than January 1, 1950. Shipments of grapefruit, grown as aforesaid, have been subject to regulation by grades and sizes, pursuant to the amended marketing agreement and order, since October 23, 1949, and will so continue until January 1, 1950; the recommendation and supporting information for continued regulation subsequent to December 31, 1949, was promptly submitted to the Department after an open meeting of the Administrative Committee on December 22; such meeting was held to consider recommendations for regulation, after giving due notice of such meeting, and interested persons were afforded an opportunity to submit their views at this meeting; the provisions of this section, including the effective time thereof, are identical with the aforesaid recommendation of the committee, and information concerning such provisions and effective time has been disseminated among handlers of such grapefruit; it is necessary, in order to effectuate the declared policy of the act, to make this section effective during the period hereinafter set forth so as to provide for the continued regulation of the handling of grapefruit; and compliance with this section will not require any special preparation on the part of persons subject thereto which cannot be completed by the effective time hereof.

(b) Order. (1) During the period beginning at 12:01 a. m., P. s. t., January 1, 1950, and ending at 12:01 a. m., P. s. t., February 19, 1950, no handler shall ship:

(i) Any grapefruit of any variety grown in the State of Arizona; in Imperial County, California; or in that part of Riverside County, California, situated south and east of the San Geronio Pass that are not at least fairly well colored, that are not free from dis-



tinct green streaks and distinct green blotches, and that do not otherwise grade at least U. S. No. 2; or

(ii) From the State of California or the State of Arizona (a) to any point outside thereof in the United States, any white seeded grapefruit or white seedless grapefruit, grown as aforesaid, which are of a size smaller than  $3\frac{1}{16}$  inches in diameter, or any pink seeded grapefruit or pink seedless grapefruit which are of a size smaller than  $3\frac{1}{16}$  inches in diameter, or (b) to any point in Canada, any grapefruit of any variety, grown as aforesaid, which are of a size smaller than  $3\frac{1}{16}$  inches in diameter ("diameter" in each case to be measured midway at a right angle to a straight line running from the stem to the blossom end of the fruit), except that a tolerance of 5 percent, by count, of grapefruit smaller than the foregoing minimum sizes shall be permitted which tolerance shall be applied in accordance with the provisions for the application of tolerance, specified in the revised United States Standards for Grapefruit (California and Arizona), 7 CFR 51.241: *Provided*, That, in determining the percentage of grapefruit in any lot which are smaller than  $3\frac{1}{16}$  inches in diameter, such percentage shall be based only on the grapefruit in such lot which are of a size  $4\frac{1}{16}$  inches in diameter and smaller; and in determining the percentage of grapefruit in any lot which are smaller than  $3\frac{1}{16}$  inches in diameter, such percentage shall be based only on the grapefruit in such lot which are of a size  $3\frac{1}{16}$  inches in diameter and smaller.

(2) As used in this section, "handler", "variety", "white seeded grapefruit", "white seedless grapefruit", "pink seeded grapefruit", "pink seedless grapefruit", and "ship" shall have the same meaning as when used in said amended marketing agreement and order; and the terms "U. S. No. 2" and "fairly well colored" shall each have the same meaning as when used in the revised United States Standards for Grapefruit (California and Arizona), 7 CFR 51.241.

(48 Stat. 31, as amended; 7 U. S. C. 601 et seq.; 7 CFR, Part 955; 14 F. R. 6803)

Done at Washington, D. C., this 29th day of December 1949.

[SEAL] S. R. SMITH,  
Director, Fruit and Vegetable  
Branch, Production and Mar-  
keting Administration.

[F. R. Doc. 49-10619; Filed, Dec. 30, 1949;  
8:56 a. m.]

49-6826  
[Orange Reg. 307, Amdt. 1]

#### PART 966—ORANGES GROWN IN CALIFORNIA AND ARIZONA

##### LIMITATION OF SHIPMENTS

1. *Findings.* (1) Pursuant to the provisions of Order No. 66 (7 CFR Part 966; 14 F. R. 3614) regulating the handling of oranges grown in the State of California or in the State of Arizona, effective under the applicable provisions of the Agricultural Marketing Agreement Act of 1937, as amended, and upon the basis of the

recommendation and information submitted by the Orange Administrative Committee, established under the said order, and upon other available information, it is hereby found that the limitation of the quantity of such oranges which may be handled, as hereinafter provided, will tend to effectuate the declared policy of the act.

(2) It is hereby further found that it is impracticable and contrary to the public interest to give preliminary notice, engage in public rule-making procedure, and postpone the effective date of this amendment until 30 days after publication thereof in the FEDERAL REGISTER (60 Stat. 237; 5 U. S. C. 1946 ed. 1001 et seq.) because the time intervening between the date when information upon which this amendment is based became available and the time when this amendment must become effective in order to effectuate the declared policy of the Agricultural Marketing Agreement Act of 1937, as amended, is insufficient; and this amendment relieves restrictions on the handling of oranges grown in the State of California or in the State of Arizona.

2. *Order, as amended.* The provisions in paragraph (b) (1) (ii) of § 966.453 (Orange Regulation 307, 14 F. R. 7703) are hereby amended to read as follows:

(ii) *Oranges other than Valencia oranges.* (a) Prorate District No. 1, 815 carloads;

(b) Prorate District No. 2, 100 carloads;

(c) Prorate District No. 3, 85 carloads. (48 Stat. 31, as amended; 7 U. S. C. 601 et seq.; 7 CFR, Part 966; 14 F. R. 3614)

Done at Washington, D. C., this 30th day of December 1949.

[SEAL] S. R. SMITH,  
Director, Fruit and Vegetable  
Branch, Production and Mar-  
keting Administration.

[F. R. Doc. 49-10625; Filed, Dec. 30, 1949;  
11:50 a. m.]

96827-6830  
[Orange Reg. 308]

#### PART 966—ORANGES GROWN IN CALIFORNIA AND ARIZONA

##### LIMITATION OF SHIPMENTS

§ 966.454 *Orange Regulation 308*—(a) *Findings.* (1) Pursuant to the provisions of Order No. 66, as amended, (7 CFR, Part 966; 14 F. R. 3614), regulating the handling of oranges grown in the State of California or in the State of Arizona, effective under the applicable provisions of the Agricultural Marketing Agreement Act of 1937, as amended, (7 U. S. C. 601 et seq.), and upon the basis of the recommendation and information submitted by the Orange Administrative Committee, established under the said amended order, and upon other available information, it is hereby found that the limitation of the quantity of such oranges which may be handled, as hereinafter provided, will tend to effectuate the declared policy of the act.

(2) It is hereby further found that it is impracticable and contrary to the public interest to give preliminary notice,

engage in public rule-making procedure, and postpone the effective date of this section until 30 days after publication thereof in the FEDERAL REGISTER (60 Stat. 237; 5 U. S. C. 1001 et seq.) because the time intervening between the date when information upon which this section is based became available and the time when this section must become effective in order to effectuate the declared policy of the act is insufficient, and a reasonable time is permitted, under the circumstances, for preparation for such effective time; and good cause exists for making the provisions hereof effective as hereinafter set forth. Shipments of oranges, grown in the State of California or in the State of Arizona, are currently subject to regulation pursuant to said amended order; the recommendation and supporting information for regulation during the period specified herein was promptly submitted to the Department after an open meeting of the Orange Administrative Committee on December 29, 1949; such meeting was held, after giving due notice thereof to consider recommendations for regulation, and interested persons were afforded an opportunity to submit their views at this meeting; the provisions of this section, including its effective time, are identical with the aforesaid recommendation of the committee, and information concerning such provisions and effective time has been disseminated among handlers of such oranges; it is necessary, in order to effectuate the declared policy of the act, to make this section effective during the period hereinafter specified; and compliance with this section will not require any special preparation on the part of persons subject thereto which cannot be completed by the effective time thereof.

(b) *Order.* (1) The quantity of oranges grown in the State of California or in the State of Arizona which may be handled during the period beginning at 12:01 a. m., P. s. t., January 1, 1950, and ending at 12:01 a. m., P. s. t., January 8, 1950, is hereby fixed as follows:

(i) *Valencia oranges.* (a) Prorate District No. 1: No movement;

(b) Prorate District No. 2: Unlimited movement;

(c) Prorate District No. 3: No movement.

(ii) *Oranges other than Valencia oranges.* (a) Prorate District No. 1: 718 carloads;

(b) Prorate District No. 2: 212 carloads;

(c) Prorate District No. 3: 70 carloads.

(2) The prorate base of each handler who has made application therefor, as provided in the said amended order, is hereby fixed in accordance with the prorate base schedule which is attached hereto and made a part hereof by this reference.

(3) As used in this section, "handled," "handler," "varieties," "carloads," and "prorate base" shall have the same meaning as when used in the said amended order; and the terms "Prorate District No. 1," "Prorate District No. 2," and "Prorate District No. 3" shall have the same meaning as given to the respective term in § 966.107 of the current



## RULES AND REGULATIONS

rules and regulations (14 F. R. 6588) contained in this part.

(48 Stat. 31, as amended; 7 U. S. C. 601 et seq.; 7 CFR, Part 966; 14 F. R. 3614)

Done at Washington, D. C., this 30th day of December 1949.

[SEAL] S. R. SMITH,  
Director, Fruit and Vegetable  
Branch, Production and Mar-  
keting Administration.

## PRORATE BASE SCHEDULE

[12:01 a. m. Jan. 1, 1950, to 12:01 a. m.  
Jan. 8, 1950]

## ALL ORANGES OTHER THAN VALENCIA ORANGES

## Prorate District No. 1

Handler	Prorate base (percent)
Total	100.0000
A. F. G. Lindsay	2.1824
A. F. G. Porterville	1.8186
Ivanhoe Cooperative Association	.7577
Doffmeyer, & Son, W. Todd	.5118
Earliest Orange Association	1.5515
Elderwood Citrus Association	1.0139
Exeter Citrus Association	2.7920
Exeter Orange Growers Association	1.4959
Exeter Orchards Association	1.6910
Hillside Packing Association	.9502
Ivanhoe Mutual Orange Association	1.0982
Klink Citrus Association	4.2922
Lemon Cove Association	1.6182
Lindsay Citrus Growers Association	2.9423
Lindsay Cooperative Citrus Association	1.8208
Lindsay Fruit Association	1.7521
Lindsay Orange Growers Association	1.0148
Naranjo Packing House Co.	.9242
Orange Cove Citrus Association	2.9899
Orange Cove Orange Growers Association	1.9283
Orange Packing Co.	1.0977
Orosi Foothill Citrus Association	1.5866
Paloma Citrus Fruit Association	1.2744
Rocky Hills Citrus Association	.7800
Sanger Citrus Association	3.6785
Sequoia Citrus Association	.8118
Stark Packing Corp.	2.0546
Visalia Citrus Association	2.1300
Waddell & Sons	1.7655
Butte County Citrus Association, Inc.	.6879
Mills Orchards Co., James	1.2467
Orland Orange Growers Association, Inc.	.6742
Andrews Bros. of California	.2967
Baird-Neece Corp.	1.4449
Beattie Association, D. A.	.6073
Grand View Heights Citrus Association	2.2501
Magnolia Citrus Association	1.9887
Porterville Citrus Association, The	1.1573
Richgrove-Jasmine Citrus Association	1.4637
Sandilands Fruit Co.	1.0752
Strathmore Cooperative Association	1.2964
Strathmore District Orange Association	1.5118
Strathmore Fruit Growers Association	.9692
Strathmore Packing House Co.	1.8810
Sunflower Packing Association	2.3026
Sunland Packing House Co.	2.9705
Terra Bella Citrus Association	1.2961
Tule River Citrus Association	1.1582
Kroells Packing Co.	1.0933
La Verne Cooperative Citrus Association	.0408
Lindsay Mutual Groves	1.3722
Martin Ranch	1.3644
Webb Packing Co., Inc.	.4450
Woodlake Packing House	2.4465
Abrahamian, M.	.0069
Anderson Packing Co.	.5352

## PRORATE BASE SCHEDULE—Continued

ALL ORANGES OTHER THAN VALENCIA ORANGES—  
continued

## Prorate District No. 1—Continued

Handler	Prorate base (percent)
Associated Growers Cooperative	0.5516
Babcock, Herman V.	.0023
Baker Bros.	.1170
Bambauer, S. F.	.0031
Batkins, Jr., Fred A.	.0426
Bennett, Earl W.	.0056
Beyer, L. T.	.0029
Bishop, Lester	.0006
Buller, Herman	.0034
Calif. Cit. Groves, Inc., Ltd.	2.2157
Chess Co., Meyer W.	.1068
Codromac, Edward F.	.0040
Crispi, Frances	.0028
Currier, Walter	.0035
Darby, Fred J.	.0285
Digitale, P. F.	.0034
Dubendorf, John	.2540
Edison Groves Co.	1.0676
Field, W. D.	.0091
Furr, N. C.	.3375
Ghlanda Ranch	.0179
Goodale Ranch	.0285
Hagar, John	.0034
Harding & Leggett	2.3027
Hipp, Joseph	.0023
Kim, Chas.	.0764
Kramer, George T.	.0023
Lo Bue Bros.	1.1485
Maas, W. A.	.0342
Marks, W. & M.	.5179
Marvin Roberts Estate	.0034
Massae, J. A.	.0034
McCleary, Jones E.	.0056
Moore Packing Co., Myron	.0684
Nation, W. H.	.0045
Neelson, F. H.	.0100
Nichol, R. D.	.0060
Nicholas, Richard	.0042
Olive Groves, Inc.	.0114
Randolph Marketing Co., Inc.	2.5949
Reimers, Don H.	.3116
Richardson, W. A.	.0229
Roberts, Ralph M.	.0114
Rocha, A. C.	.0025
Rooke Packing Co., B. G.	2.7227
Sechrist, Calvin C.	.0103
Sherman, A. W.	.0091
Shong, Samuel C.	.0423
Simmons, A. E.	.0046
Sivesind, Carl G.	.0056
Swenson, L. W.	.1083
Todd, C. W.	.0137
Toy, Chin	.0414
Travis, J. A.	.0218
Vincent, Walter H.	.0274
Wilbur, G. C.	.0046
Woodlake Heights Packing Corp.	.4983
Zaninovich Bros., Inc.	.6257

## Prorate District No. 2

Total	100.0000
A. F. G. Alta Loma	.5483
A. F. G. Corona	.0860
A. F. G. Fullerton	.0270
A. F. G. Orange	.0329
A. F. G. Riverside	.7238
A. F. G. Santa Paula	.0428
Hazeltine Packing Co.	.1338
Placentia Pioneer Valencia Growers Association	.0681
Signal Fruit Association	.9872
Azusa Citrus Association	1.0946
Damerel-Allison Co.	.9378
Glendora Mutual Orange Association	.4654
Puente Mutual Orange Association	.0530
Valencia Heights Orchards Association	.1990
Covina Citrus Association	1.2721
Covina Orange Growers Association	.5242
Glendora Citrus Association	.8784
Glendora Heights Orange & Lemon Growers Association	.0804

## PRORATE BASE SCHEDULE—Continued

ALL ORANGES OTHER THAN VALENCIA ORANGES—  
continued

## Prorate District No. 2—Continued

Handler	Prorate base (percent)
Gold Buckle Association	3.6270
La Verna Orange Association	4.8166
Anaheim Citrus Fruit Association	.0580
Anaheim Valencia Orange Association	.0154
Eadlington Fruit Co., Inc.	.4632
Fullerton Mutual Orange Association	.2162
La Habra Citrus Association	.0949
Orange County Valencia Association	.0135
Orangethorpe Citrus Association	.0195
Placentia Cooperative Orange Association	.0200
Yorba Linda Citrus Association, The	.0112
Escondido Orange Association	.4366
Alta Loma Heights Citrus Association	.3160
Citrus Fruit Growers	1.0602
Cucamonga Citrus Association	.3849
Etiwanda Citrus Fruit Association	.1964
Mountain View Fruit Association	.1182
Old Baldy Citrus Association	.3677
Rialto Heights Orange Growers	.4989
Upland Citrus Association	2.3040
Upland Heights Orange Association	1.1511
Consolidated Orange Growers	.0244
Frances Citrus Association	.0032
Garden Grove Citrus Association	.0301
Goldenwest Citrus Association, The	.0952
Olive Heights Citrus Association	.0416
Santa Ana-Tustin Mutual Citrus Association	.0127
Santiago Orange Growers Association	.1263
Tustin Hills Citrus Association	.0208
Villa Park Orchards Association, The	.0230
Bradford Bros., Inc.	.2250
Placentia Mutual Orange Association	.1826
Placentia Orange Growers Association	.1215
Yorba Orange Growers Association	.0378
Call Ranch	.4541
Corona Citrus Association	.8479
Jameson Co.	.2959
Orange Heights Orange Association	1.5588
Crafton Orange Growers Association	1.5659
East Highlands Citrus Association	.4412
Fontana Citrus Association	.5122
Redlands Heights Groves	.8466
Redland Orangedale Association	1.1079
Break & Sons, Allen	.2435
Bryn Mawr Fruit Growers Association	1.0487
Mission Citrus Association	.9366
Redland Cooperative Fruit Association	1.7579
Redland Orange Growers Association	1.1154
Redlands Select Groves	.4446
Rialto Citrus Association	.5548
Rialto Orange Co.	.3790
Southern Citrus Association	1.0423
United Citrus Growers	.6399
Zillen Citrus Co.	.6705
Andrews Bros. of California	.3028
Arlington Heights Citrus Co.	.9745
Brown Estate, L. V. W.	1.7545
Gavilan Citrus Association	1.6429
Highgrove Fruit Association	.7639
Krinard Packing Co.	1.8668
McDermott Fruit Co.	1.7873
Monte Vista Citrus Association	1.4237
National Orange Co.	.9528
Riverside Heights Orange Growers Association	1.2108
Sierra Vista Packing Association	.8998
Victoria Avenue Citrus Association	2.8068
Claremont Citrus Association	.9438



## PRORATE BASE SCHEDULE—Continued

ALL ORANGES OTHER THAN VALENCIA ORANGES—  
continued

## Prorate District No. 2—Continued

Handler	Prorate base (percent)
College Heights Orange and Lemon Association	1.7508
Indian Hill Citrus Association	1.0970
Walnut Fruit Growers Association	.4577
West Ontario Citrus Association	1.2995
El Cajon Valley Citrus Association	.2292
Escondido Cooperative Citrus Association	.0732
San Dimas Orange Growers Association	1.0904
Ball & Tweedy Association	.1150
Canoga Citrus Association	.0765
Covina Citrus Association	.1650
North Whittier Heights Citrus Association	.1416
San Fernando Fruit Growers Association	.3938
San Fernando Heights Orange Association	.2241
Sierra Madre-Lamanda Citrus Association	.2627
Camarillo Citrus Association	.0088
Fillmore Citrus Association	.9695
Ojai Orange Association	.8100
Piru Citrus Association	.7752
Rancho Sespe	.0017
Santa Paula Orange Association	.1224
Tapo Citrus Association	.0076
Ventura County Citrus Association	.0240
East Whittier Citrus Association	.0082
Whittier Citrus Association	.0788
Whittier Select Citrus Association	.0283
Anaheim Cooperative Orange Association	.0384
Bryn Mawr Mutual Lemon Association	.5223
Chula Vista Mutual Orange Association	.0915
Euclid Avenue Orange Association	2.8239
Foothill Citrus Union, Inc.	.2100
Fullerton Cooperative Orange Association	.0107
Garden Grove Orange Cooperative, Inc.	.0000
Golden Orange Groves, Inc.	.3289
Highland Mutual Groves, Inc.	.3522
Index Mutual Groves, Inc.	.0039
La Verne Cooperative Citrus Association	3.2737
Mentone Heights Association	.6005
Olive Hillside Groves	.0063
Orange Cooperative Citrus Association	.0296
Redlands Foothill Groves	2.6927
Redlands Mutual Orange Association	1.0932
Ventura County Orange & Lemon Association	.2023
Whittier Mutual Orange & Lemon Association	.0201
Babijuce Corp. of California	.3383
Borden Fruit Co.	.0309
Cherokee Citrus Co., Inc.	1.2274
Chess Co., Meyer W.	.3340
Dunning Ranch	.1365
Evans Bros. Packing Co.	1.3459
Gold Banner Association	2.1261
Granada Packing House Co.	2.2939
Hill, Fred A. Packing House	.6549
Orange Belt Fruit Distributors	1.9522
Panno Fruit Co., Carlo	.1135
Paramount Citrus Association	.0841
Placentia Orchard Co.	.0608
Riverside Citrus Association	.3219
San Antonio Orchard Co.	1.3189
Snyder & Sons Co., W. A.	.5067
Stephens, T. F.	.1146
Torn Ranch	.0464
Wall, E. T., Growers-Shippers	1.7917
Western Fruit Growers, Inc.	3.6096

## PRORATE BASE SCHEDULE—Continued

ALL ORANGES OTHER THAN VALENCIA ORANGES—  
continued

## Prorate District No. 3

Handler	Prorate base (percent)
Total	100.0000
Allen & Allen Citrus Packing Co.	2.1080
Consolidated Citrus Growers	16.8519
McKellips Citrus Co., Inc.	6.8357
Phoenix Citrus Packing Co.	2.9747
Arizona Citrus Growers	15.1574
Chandler Heights Citrus Growers	1.8279
Desert Citrus Growers Co.	5.8382
Mesa Citrus Growers	12.9962
Tal-Wi-Wi Ranches	.8021
Tempe Citrus Co.	2.5151
Yuma Mesa Fruit Growers Association	.1440
Leppla Henry Produce Co.	11.3358
Maricopa Citrus Co.	2.7571
Pioneer Fruit Co.	6.5700
Clark & Sons, J. H.	.3590
Commercial Citrus Packing Co.	3.1983
Dhuyvetter Bros.	.6437
Goldman, George C.	.4931
Ishikawa, Paul	.1519
Macchiaroli Fruit Co., James	.1493
Mattigling Fruit Co.	1.3762
Orange Belt Fruit Distributors	.0940
Potato House, The	2.1791
Valley Citrus Packing Co.	2.6413

[F. R. Doc. 49-10626; Filed, Dec. 30, 1949;  
11:52 a. m.]

9-6831-6833  
PART 996—MILK IN THE SPRINGFIELD,  
MASSACHUSETTS, MARKETING AREA

*Findings and determinations.* Pursuant to the provisions of Order No. 96 (14 F. R. 7217) and of the Administrative Procedure Act (60 Stat. 237), a public meeting was held at Springfield, Massachusetts, on December 15, 1949, to consider proposed rules and regulations to be issued by the market administrator to effectuate the terms and provisions of the order. The data, views, and arguments presented at this meeting and all written material received prior to December 20, 1949, have been considered and it is hereby found and determined that the following rules and regulations are necessary to effectuate the terms and provisions of Order No. 96 as partially effective December 1, 1949, and as fully effective January 1, 1950. It is further found and determined that to defer the effective date of the said rules and regulations to a date 30 days or more after publication in the FEDERAL REGISTER would be impractical, unnecessary, and contrary to the public interest because said rules and regulations are being issued to effectuate the terms and provisions of Order No. 96 as fully effective January 1, 1950, and the effective date of the rules and regulations should be the same as the date on which Order No. 96 becomes fully effective.

*General.* These rules and regulations are made by the market administrator pursuant to § 996.2 (b) (2) of "Order No. 96, Issued by the Secretary of Agriculture, Regulating the Handling of Milk in the Springfield, Massachusetts, Marketing Area", hereinafter referred to as "the order."

## Sec.

- 996.100 Milk handled for pasteurizing or bottling.  
996.101 Classification of milk and other fluid milk products.  
996.102 Plant shrinkage.  
996.103 Due dates of reports of nonpool handlers.  
996.104 Detail and form of handler's reports.  
996.105 Averaging of producers' semi-monthly butterfat tests.  
996.106 Deductions from payments to producers.  
996.107 Weight of fluid milk products.

AUTHORITY: §§ 996.100 to 996.107 issued under sec. 5, 49 Stat. 753, as amended; 7 U. S. C. and Sup. 608c; § 996.2, 14 F. R. 7219.

§ 996.100 *Milk handled for pasteurizing or bottling.* The status and the payment obligations, under the order, of a handler or dealer who pasteurizes or bottles milk for another handler or dealer, without acquiring it for marketing, shall not change because of the handling of the milk. Similarly, there shall be no change in the status and the payment obligations of the handler or dealer for whom the pasteurizing or bottling service is performed. However, handlers involved in such service transactions shall include in their reports to the market administrator information regarding the quantities so handled.

§ 996.101 *Classification of milk and other fluid milk products—(a) Application of this section.* The provisions of this section shall apply only to fluid milk products which are not required to be classified as Class I milk pursuant to § 996.3 (b).

(b) *Fluid milk products disposed of to consumers.* Fluid milk products disposed of by a handler or dealer to consumers shall be classified as follows:

(1) Milk, flavored milk, cultured or flavored skim milk, and buttermilk shall be classified as Class I milk, except as provided in subparagraphs (3) and (4) of this paragraph.

(2) Cream and skim milk shall be classified as Class II milk.

(3) Sour milk and milk otherwise unsuitable for human consumption as milk, which is disposed of to a livestock farmer and used by him for animal feed, shall be classified as Class II milk.

(4) Flavored milk, cultured or flavored skim milk, and buttermilk, which is disposed of to a livestock farmer and used by him for animal feed, shall be classified as Class II milk.

(c) *Fluid milk products manufactured into other milk products.* Fluid milk products manufactured by a handler or dealer into other milk products shall be classified as Class II milk, unless the resulting milk product is subsequently reconverted into fluid milk products for which Class II utilization is not established. Specifically, the following shall be considered to be milk products:

Acidophilus milk.  
Butter.  
Buttermilk powder.  
Casein.  
Cheese and cheese paste.  
Condensed buttermilk.  
Condensed milk.  
Condensed skim milk.  
Eggnog.  
Evaporated milk.  
Evaporated skim milk.



Ice cream, ice cream mix, and similar frozen desserts.

Milk powder.

Nonfat dry milk solids (skim powder).

Whey and whey products.

Yarhout (Bulgarian milk).

(d) *Miscellaneous uses.* Fluid milk products used or disposed of by a handler or dealer in accordance with this paragraph shall be classified as follows:

(1) Milk dumped or discarded shall be classified as Class I milk, unless established as sour milk or milk otherwise unsuitable for human consumption as milk.

(2) Fluid milk products dumped or discarded, except milk suitable for human consumption as milk, shall be classified as Class II milk.

(3) Fluid milk products destroyed or spilled under extraordinary circumstances shall be classified as Class II milk.

(4) Plant shrinkage in excess of 2 percent of the volume of fluid milk products handled shall be classified as Class I milk.

(e) *Inventories.* All milk products on hand at any plant at the close of the month may be classified tentatively as Class II milk. Final classification shall be made when disposition of the milk products takes place.

§ 996.102 *Plant shrinkage*—(a) *Application of this section.* The provisions of this section shall apply in determining the quantity of plant shrinkage to be classified as Class II milk pursuant to § 996.3 (a) (2) (ii).

(b) *Requirement to establish plant shrinkage.* (1) Plant shrinkage may be considered as established only if both the volume of fluid milk products handled during the month and the total of specific uses of fluid milk products during the month are established.

(2) If plant shrinkage is not established, the total quantity of fluid milk products not specifically accounted for shall be classified as Class I milk.

(c) *Computation of volume handled and of total of specific uses.* (1) The volume of fluid milk products handled by a handler during the month shall consist of the total receipts of fluid milk products at the handler's regulated plants, plus the opening inventory, and minus the closing inventory, at such plants.

(2) Each handler's total of specific uses of fluid milk products during the month shall consist of the total quantity of fluid milk products the specific disposition of which is established at the handler's regulated plants, minus the quantity of syrup or other flavoring material disposed of in flavored milk or flavored skim milk.

(d) *Determination and classification of plant shrinkage.* (1) Plant shrinkage shall be determined by deducting the total of specific uses from the volume handled. The remainder, if it can reasonably be considered to represent the loss or shrinkage in fluid milk products normally incurred by the handler in the receiving, processing, packaging, and distribution of the milk and milk products handled by him, shall be considered his plant shrinkage.

(2) The classification of plant shrinkage shall be determined by computing 2 percent of the volume handled, and comparing the result with the plant shrinkage. Plant shrinkage not in ex-

cess of such result shall be classified as Class II milk. Plant shrinkage in excess of such result shall be classified as Class I milk.

§ 996.103 *Due dates of reports of non-pool handlers*—(a) *Application of this section.* The provisions of this section shall apply with respect to the due dates for the filing of reports by nonpool handlers relating to their total receipts and utilization of fluid milk products, pursuant to § 996.6 (b).

(b) *Reports of buyer-handlers and producer-handlers.* (1) Each buyer-handler and producer-handler whose daily average disposition of milk during the month is at least 300 quarts per day shall report on or before the 8th day after the end of the month.

(2) Except as provided in subparagraph (3) of this paragraph, each buyer-handler or producer-handler whose daily average disposition of milk during each month is less than 300 quarts per day shall report semiannually. The handler shall report on or before July 8 with respect to his receipts and disposition of fluid milk products in the preceding six months' period ended June 30, and shall report on or before January 8 for the preceding six months' period ended December 31.

(3) Any buyer-handler or producer-handler whose daily average disposition of milk is less than 300 quarts per day but who receives outside milk during any month shall report within 8 days after the end of such month, and shall thereafter file separate reports for each subsequent month of the semiannual period involved. Separate reports for each prior month of the semiannual period shall be due on the same date as the report for the month in which the outside milk is received.

(c) *Reports of handlers who operate unregulated distributing plants.* Each handler who operates an unregulated plant from which Class I milk is distributed directly to consumers in the marketing area during the month shall report within 8 days after the end of such month.

(d) *Reports of subhandlers.* Each nonpool handler who disposes of Class I milk directly to consumers in the marketing area, but who does not operate a plant, shall report at the same time as a buyer-handler or producer-handler is required to report.

(e) *Reports for December 1949.* Notwithstanding the provisions of the other paragraphs of this section, every nonpool handler shall file a report for the month of December 1949, not later than January 8, 1950.

§ 996.104 *Detail and form of handler's reports*—(a) *Application of this section.* The provisions of this section shall apply with respect to the detail and form for the filing of reports by all handlers relating to their total receipts and utilization of fluid milk products, pursuant to paragraphs (a) and (b) of § 996.6.

(b) *Requirements applicable to all handlers.* Each handler's report shall include the following information:

(1) The receipts of fluid milk products at each plant from other handlers and dealers, and from any of the handler's unregulated plants.

(2) The receipts of milk from his own production, and from other dairy farmers.

(3) The butterfat test of Class I milk received from New York, Boston, or Worcester order-pool plants.

(4) The respective quantities of Class I milk, disposed of inside the marketing area and outside the marketing area, showing the quantities disposed of to consumers and the quantities disposed of to individual handlers or dealers.

(5) The total quantity of fluid milk products disposed of as Class II milk, and information as to the quantities so disposed of to individual handlers or dealers.

(c) *Requirements applicable to pool handlers.* Each pool handler's report shall include the following additional information:

(1) The respective total quantities of milk received at each plant from producers whose farms are located in any of the cities and towns listed in § 996.9 (e) (1), from producers whose farms are located in the counties, cities, and towns listed in § 996.9 (e) (2), and from producers whose farms are located outside both of these farm differential location areas; and the number of producers in each group.

(2) Separate totals of receipts at each plant from producers who are members of each association of producers and from nonmembers; and the number of producers in each group.

(3) The name of each producer and the quantity of milk received from him, with the information subdivided according to the producer's farm location and member or nonmember status, as indicated in the preceding subparagraphs of this paragraph. However, this subparagraph shall not apply to any pool plant at which milk was received from 50 or more producers during the month.

§ 996.105 *Averaging of producers' semimonthly butterfat tests.* In making payments for milk to each producer, pursuant to § 996.9, each handler may determine the average butterfat content of the milk by using the simple average of the butterfat tests of semimonthly composite samples of the milk, unless the difference between the semimonthly tests is more than two points (0.2%), or the quantity of milk delivered by the producer in either semimonthly period is as much as three times as large as his deliveries in the other semimonthly period.

§ 996.106 *Deductions from payments to producers*—(a) *Authorization for deductions.* In making payments to producers as required by §§ 996.9 (a) and 996.9 (b) (1), the burden shall rest upon the handler making deductions from such payments to prove that each deduction is properly authorized, and properly chargeable to the producer.

(b) *Deductions for cooperative associations.* The following provisions shall apply with respect to the deductions which are provided for in § 996.10 (b).

(1) Each handler shall be obligated to make deductions for an association of producers if the association files a claim with the handler for amounts to be deducted from the handler's payments to its members. The claim shall contain a list of the producers, an agreement to



indemnify the handler in the making of the deductions, and a certification that the association has an untermi-nated membership contract with each producer, authorizing the claimed deduction.

(2) Upon receipt of notice from the market administrator that there is an error in the claim filed by an association of producers pursuant to subparagraph (1) of this paragraph, the handler shall be relieved of the obligation to make that part of the deductions which was claimed in error, as determined by the market administrator.

§ 996.107 *Weights of fluid milk products—(a) Application of this section.* The provisions of this section shall apply in determining the respective quantities of fluid milk products received or used by each handler or dealer.

(b) *Basis for determination of quantity.* The determination of the quantity of fluid milk products received or used by each handler or dealer shall be on the basis of the weight, in pounds, of the fluid milk products.

(c) *Standard weights.* In the absence of specific weights, the weight of fluid milk products received or disposed of in a quart or 40-quart container shall be determined according to the following table. The weight of such products in any other container shall be determined by multiplying the equivalent number of quarts by the respective standard weight per quart container, except that, in the absence of specific weights, the weight of such products in a 20-quart container shall be considered to be one-half of the applicable standard weight per 40-quart can.

TABLE OF STANDARD WEIGHTS

Product	Weight (pounds)		
	Butterfat test	Per quart container	Per 40-quart container
Milk	Any test	2.15	85.0
Flavored milk			
Skim milk	Any test	2.16	86.0
Flavored skim milk			
Buttermilk	Percent		
Cultured skim milk			
	16	2.136	85.42
	17	2.134	85.34
	18	2.132	85.26
	19	2.130	85.18
	20	2.128	85.10
	21	2.126	85.02
	22	2.124	84.94
	23	2.122	84.86
	24	2.120	84.78
	25	2.118	84.70
	26	2.116	84.62
	27	2.113	84.52
	28	2.111	84.42
	29	2.109	84.36
	30	2.108	84.30
	31	2.106	84.24
	32	2.105	84.18
	33	2.103	84.12
	34	2.102	84.06
	35	2.100	84.00
	36	2.099	83.94
	37	2.097	83.88
	38	2.096	83.82
	39	2.094	83.76
	40	2.093	83.70
	41	2.091	83.64
	42	2.090	83.58
	43	2.088	83.52
	44	2.087	83.46
	45	2.085	83.40
	46	2.084	83.34
	47	2.082	83.28
	48	2.081	83.22
	49	2.079	83.16
	50	2.078	83.10

Issued at Boston, Massachusetts, this 21st day of December 1949, to become effective on and after January 1, 1950.

[SEAL]

RICHARD D. APLIN,  
Market Administrator.

[F. R. Doc. 49-10612; Filed, Dec. 30, 1949;  
8:51 a. m.]

PART 999—MILK IN THE WORCESTER, MASSACHUSETTS, MARKETING AREA

*Findings and determinations.* Pursuant to the provisions of Order No. 99 (14 F. R. 7224) and of the Administrative Procedure Act (60 Stat. 237), a public meeting was held at Worcester, Massachusetts, on December 14, 1949, to consider proposed rules and regulations to be issued by the market administrator to effectuate the terms and provisions of the order. The data, views, and arguments presented at this meeting, and all written material received prior to December 20, 1949, have been considered and it is hereby found and determined that the following rules and regulations are necessary to effectuate the terms and provisions of Order No. 99 as partially effective December 1, 1949, and as fully effective January 1, 1950. It is further found and determined that to defer the effective date of the said rules and regulations to a date 30 days or more after publication in the FEDERAL REGISTER would be impractical, unnecessary, and contrary to the public interest because said rules and regulations are being issued to effectuate the terms and provisions of Order No. 99 as fully effective January 1, 1950, and the effective date of the rules and regulations should be the same as the date on which Order No. 99 becomes fully effective.

*General.* These rules and regulations are made by the market administrator pursuant to § 999.2 (b) (2) of "Order No. 99, Issued by the Secretary of Agriculture, Regulating the Handling of Milk in the Worcester, Massachusetts, Marketing Area", hereinafter referred to as "the order".

Sec.

999.100 Milk handled for pasteurizing or bottling.

999.101 Classification of milk and other fluid milk products.

999.102 Plant shrinkage.

999.103 Due dates of reports of nonpool handlers.

999.104 Detail and form of handler's reports.

999.105 Averaging of producers' semi-monthly butterfat tests.

999.106 Deductions from payments to producers.

999.107 Weights of fluid milk products.

*AUTHORITY:* §§ 999.100 to 999.107 issued under sec. 5, 49 stat. 753, as amended; 7 U. S. C. and Sup. 608c; § 999.2, 14 F. R. 7226.

§ 999.100 *Milk handled for pasteurizing or bottling.* The status and the payment obligations, under the order, of a handler or dealer who pasteurizes or bottles milk for another handler or dealer, without acquiring it for marketing, shall not change because of the handling of the milk. Similarly, there shall be no change in the status and the payment obligations of the handler or dealer for whom the pasteurizing or bot-

tlng service is performed. However, handlers involved in such service transactions shall include in their reports to the market administrator information regarding the quantities so handled.

§ 999.101 *Classification of milk and other fluid milk products—(a) Application of this section.* The provisions of this section shall apply only to fluid milk products which are not required to be classified as Class I milk pursuant to § 999.3 (b).

(b) *Fluid milk products disposed of to consumers.* Fluid milk products disposed of by a handler or dealer to consumers shall be classified as follows:

(1) Milk, flavored milk, cultured or flavored skim milk, and buttermilk shall be classified as Class I milk, except as provided in subparagraphs (3) and (4) of this paragraph.

(2) Cream and skim milk shall be classified as Class II milk.

(3) Sour milk and milk otherwise unsuitable for human consumption as milk, which is disposed of to a livestock farmer and used by him for animal feed, shall be classified as Class II milk.

(4) Flavored milk, cultured or flavored skim milk, and buttermilk, which is disposed of to a livestock farmer and used by him for animal feed, shall be classified as Class II milk.

(c) *Fluid milk products manufactured into other milk products.* Fluid milk products manufactured by a handler or dealer into other milk products shall be classified as Class II milk, unless the resulting milk product is subsequently reconverted into fluid milk products for which Class II utilization is not established. Specifically, the following shall be considered to be milk products:

Acidophilus milk.  
Butter.  
Buttermilk powder.  
Casein.  
Cheese and cheese paste.  
Condensed buttermilk.  
Condensed milk.  
Condensed skim milk.  
Eggnog.  
Evaporated milk.  
Evaporated skim milk.  
Ice cream, ice cream mix, and similar frozen desserts.  
Milk powder.  
Nonfat dry milk solids (skim powder).  
Whey and whey products.  
Yarhout (Bulgarian milk).

(d) *Miscellaneous uses.* Fluid milk products used or disposed of by a handler or dealer in accordance with this paragraph shall be classified as follows:

(1) Milk dumped or discarded shall be classified as Class I milk, unless established as sour milk or milk otherwise unsuitable for human consumption as milk.

(2) Fluid milk products dumped or discarded, except milk suitable for human consumption as milk, shall be classified as Class II milk.

(3) Fluid milk products destroyed or spilled under extraordinary circumstances shall be classified as Class II milk.

(4) Plant shrinkage in excess of 2 percent of the volume of fluid milk products handled shall be classified as Class I milk.



(e) *Inventories.* All milk products on hand at any plant at the close of the month may be classified tentatively as Class II milk. Final classification shall be made when disposition of the milk products takes place.

§ 999.102 *Plant shrinkage*—(a) *Application of this section.* The provisions of this section shall apply in determining the quantity of plant shrinkage to be classified as Class II milk pursuant to § 999.3 (a) (2) (ii).

(b) *Requirement to establish plant shrinkage.* (1) Plant shrinkage may be considered as established only if both the volume of fluid milk products handled during the month and the total of specific uses of fluid milk products during the month are established.

(2) If plant shrinkage is not established, the total quantity of fluid milk products not specifically accounted for shall be classified as Class I milk.

(c) *Computation of volume handled and of total of specific uses.* (1) The volume of fluid milk products handled by a handler during the month shall consist of the total receipts of fluid milk products at the handler's regulated plants, plus the opening inventory, and minus the closing inventory, at such plants.

(2) Each handler's total of specific uses of fluid milk products during the month shall consist of the total quantity of fluid milk products the specific disposition of which is established at the handler's regulated plants, minus the quantity of syrup or other flavoring material disposed of in flavored milk or flavored skim milk.

(d) *Determination and classification of plant shrinkage.* (1) Plant shrinkage shall be determined by deducting the total of specific uses from the volume handled. The remainder, if it can reasonably be considered to represent the loss or shrinkage in fluid milk products normally incurred by the handler in the receiving, processing, packaging, and distribution of the milk and milk products handled by him, shall be considered his plant shrinkage.

(2) The classification of plant shrinkage shall be determined by computing 2 percent of the volume handled, and comparing the result with the plant shrinkage. Plant shrinkage not in excess of such result shall be classified as Class II milk. Plant shrinkage in excess of such result shall be classified as Class I milk.

§ 999.103 *Due dates of reports of non-pool handlers*—(a) *Application of this section.* The provisions of this section shall apply with respect to the due dates for the filing of reports by nonpool handlers relating to their total receipts and utilization of fluid milk products, pursuant to § 999.6 (b).

(b) *Reports of buyer-handlers and producer-handlers.* (1) Each buyer-handler and producer-handler whose daily average disposition of milk during the month is at least 300 quarts per day shall report on or before the 8th day after the end of the month.

(2) Except as provided in subparagraph (3) of this paragraph, each buyer-handler or producer-handler whose daily

average disposition of milk during each month is less than 300 quarts per day shall report semiannually. The handler shall report on or before July 8 with respect to his receipts and disposition of fluid milk products in the preceding six months' period ended June 30, and shall report on or before January 8 for the preceding six months' period ended December 31.

(3) Any buyer-handler or producer-handler whose daily average disposition of milk is less than 300 quarts per day but who receives outside milk during any month shall report within 8 days after the end of such month, and shall thereafter file separate reports for each subsequent month of the semiannual period involved. Separate reports for each prior month of the semiannual period shall be due on the same date as the report for the month in which the outside milk is received.

(c) *Reports of handlers who operate unregulated distributing plants.* Each handler who operates an unregulated plant from which Class I milk is distributed directly to consumers in the marketing area during the month shall report within 8 days after the end of such month.

(d) *Reports of subhandlers.* Each nonpool handler who disposes of Class I milk directly to consumers in the marketing area, but who does not operate a plant, shall report at the same time as a buyer-handler or producer-handler is required to report.

(e) *Reports for December 1949.* Notwithstanding the provisions of the other paragraphs of this section, every non-pool handler shall file a report for the month of December 1949, not later than January 8, 1950.

§ 999.104 *Detail and form of handler's reports*—(a) *Application of this section.* The provisions of this section shall apply with respect to the detail and form for the filing of reports by all handlers relating to their total receipts and utilization of fluid milk products, pursuant to paragraphs (a) and (b) of § 999.6.

(b) *Requirements applicable to all handlers.* Each handler's report shall include the following information:

(1) The receipts of fluid milk products at each plant from other handlers and dealers, and from any of the handler's unregulated plants.

(2) The receipts of milk from his own production, and from other dairy farmers.

(3) The butterfat test of Class I milk received from New York, Boston, or Springfield order pool plants.

(4) The respective quantities of Class I milk disposed of inside the marketing area and outside the marketing area, showing the quantities disposed of to consumers and the quantities disposed of to individual handlers or dealers.

(5) The total quantity of fluid milk products disposed of as Class II milk, and information as to the quantities so disposed of to individual handlers or dealers.

(c) *Requirements applicable to pool handlers.* Each pool handler's report shall include the following additional information:

(1) The respective total quantities of milk received at each plant from producers whose farms are located in Franklin, Hampshire, Hampden, Worcester, Middlesex, or Norfolk Counties in Massachusetts, and from producers whose farms are located outside these counties; and the number of producers in each group.

(2) Separate totals of receipts at each plant from producers who are members of each association of producers and from nonmembers; and the number of producers in each group.

(3) The name of each producer and the quantity of milk received from him, with the information subdivided according to the producer's farm location and member or nonmember status, as indicated in the preceding subparagraphs of this paragraph. However, this subparagraph shall not apply to any pool plant at which milk was received from 50 or more producers during the month.

§ 999.105 *Averaging of producers' semimonthly butterfat tests.* In making payments for milk to each producer, pursuant to § 999.9, each handler may determine the average butterfat content of the milk by using the simple average of the butterfat tests of semimonthly composite samples of the milk, unless the difference between the semimonthly tests is more than two points (0.2%), or the quantity of milk delivered by the producer in either semimonthly period is as much as three times as large as his deliveries in the other semimonthly period.

§ 999.106 *Deductions from payments to producers*—(a) *Authorization for deductions.* In making payments to producers as required by §§ 999.9 (a) and 999.9 (b) (1), the burden shall rest upon the handler making deductions from such payments to prove that each deduction is properly authorized, and properly chargeable to the producer.

(b) *Deductions for cooperative associations.* The following provisions shall apply with respect to the deductions which are provided for in § 999.10 (b):

(1) Each handler shall be obligated to make deductions for an association of producers if the association files a claim with the handler for amounts to be deducted from the handler's payments to its members. The claim shall contain a list of the producers, an agreement to indemnify the handler in the making of the deductions, and a certification that the association has an unexpired membership contract with each producer, authorizing the claimed deduction.

(2) Upon receipt of notice from the market administrator that there is an error in the claim filed by an association of producers pursuant to subparagraph (1) of this paragraph, the handler shall be relieved of the obligation to make that part of the deductions which was claimed in error, as determined by the market administrator.

§ 999.107 *Weights of fluid milk products*—(a) *Application of this section.* The provisions of this section shall apply in determining the respective quantities of fluid milk products received or used by each handler or dealer.



(b) *Basis for determination of quantity.* The determination of the quantity of fluid milk products received or used by each handler or dealer shall be on the basis of the weight, in pounds, of the fluid milk products.

(c) *Standard weights.* In the absence of specific weights, the weight of fluid milk products received or disposed of in a quart or 40-quart container shall be determined according to the following table. The weight of such products in any other container shall be determined by multiplying the equivalent number of quarts by the respective standard weight per quart container, except that, in the absence of specific weights, the weight of such products in a 20-quart container shall be considered to be one-half of the applicable standard weight per 40-quart can.

TABLE OF STANDARD WEIGHTS

Product	Weight (pounds)		
	Butterfat test	Per quart container	Per 40-quart container
Milk.....	Any test	2.15	85.0
Flavored milk.....	Any test	2.16	86.0
Skim milk.....	Any test	2.16	86.0
Flavored skim milk.....	Any test	2.16	86.0
Buttermilk.....	Any test	2.16	86.0
Cultured skim milk.....	Any test	2.16	86.0
<i>Percent</i>			
	16	2.136	85.42
	17	2.134	85.34
	18	2.132	85.26
	19	2.130	85.18
	20	2.128	85.10
	21	2.126	85.02
	22	2.124	84.94
	23	2.122	84.86
	24	2.120	84.78
	25	2.118	84.70
	26	2.116	84.62
	27	2.113	84.52
	28	2.111	84.42
	29	2.109	84.36
	30	2.108	84.30
	31	2.106	84.24
	32	2.105	84.18
Cream.....	33	2.103	84.12
	34	2.102	84.06
	35	2.100	84.00
	36	2.099	83.94
	37	2.097	83.88
	38	2.096	83.82
	39	2.094	83.76
	40	2.093	83.70
	41	2.091	83.64
	42	2.090	83.58
	43	2.088	83.52
	44	2.087	83.46
	45	2.085	83.40
	46	2.084	83.34
	47	2.082	83.28
	48	2.081	83.22
	49	2.079	83.16
	50	2.078	83.10

Issued at Boston, Massachusetts, this 21st day of December 1949, to become effective on and after January 1, 1950.

[SEAL]

RICHARD D. APLIN,  
Market Administrator.

[F. R. Doc. 49-10611; Filed, Dec. 30, 1949; 8:51 a. m.]

## TITLE 14—CIVIL AVIATION

### Chapter I—Civil Aeronautics Board

#### Subchapter A—Civil Air Regulations

[Supp. 7, Amdt. 23]

#### PART 60—AIR TRAFFIC RULES

##### DANGER AREA ALTERATIONS

Under sections 205 and 601 of the Civil Aeronautics Act of 1938, as amended,

No. 252—3

and § 60.13 of the Civil Air Regulations, the Administrator of Civil Aeronautics is authorized to designate as a danger area any area within which he has determined that an invisible hazard to aircraft in flight exists, and no person may operate an aircraft within a danger area unless permission for such operation has been issued by appropriate authority. Such areas have been designated and published.

The following danger area alterations have been coordinated with the civil operators involved, the Army, the Navy, and the Air Force, through the Air Coordinating Committee, Airspace Subcommittee, and should be adopted

Name and location (chart)	Description by geographical coordinates	Designated altitudes	Time of designation	Using agency
West Molokai, Molokai (Hawaiian Islands Chart).	A circular area with a radius of 3 miles centered at lat. 21°09'00" N., long. 157°16'45" W.	Surface to 10,000 feet.	Continuous...	Army and Navy units of Hawaii.

(Sec. 205 (a), 52 Stat. 984, as amended by Reorg. Plans Nos. III and IV of 1940, 3 CFR, Cum. Supp., 5 F. R. 2107, 2421; 49 U. S. C. 425 (a). Interpret or apply sec. 601, 52 Stat. 1007, as amended by 62 Stat. 1217; 49 U. S. C. 551)

This amendment shall become effective on December 31, 1949.

[SEAL]

DONALD W. NYROP,  
Acting Administrator  
of Civil Aeronautics.

[F. R. Doc. 49-10544; Filed, Dec. 30, 1949; 8:45 a. m.]

## TITLE 19—CUSTOMS DUTIES

### Chapter I—Bureau of Customs, Department of the Treasury

[T. D. 52374]

#### PART 8—LIABILITY FOR DUTIES, ENTRY OF IMPORTED MERCHANDISE

##### WAREHOUSE ENTRIES

In order to facilitate the prompt release of packages under warehouse withdrawals for consumption and the ascertainment and collection of the correct amounts of estimated or liquidated duties thereon, § 8.30 (d), Customs Regulations of 1943 (19 CFR 8.30 (d)), is amended by changing the period at the end to a comma and adding the following: "except that, when packages which are not uniform in contents, quantities, values, or rates of duties or taxes are grouped together as one item on an entry, a specification sheet or sheets (original only) shall be furnished with the entry, listing separately opposite the identification mark or number of each package the quantity of each class of merchandise therein, the entered value of each class, and the rate or rates of duty or taxes claimed therefor, unless one withdrawal is to be filed for all the merchandise covered by the entry."

(Sec. 484, 46 Stat. 722, sec. 12, 52 Stat. 1083, sec. 557, 46 Stat. 744, secs. 2, 22, 23,

without delay, in order to promote safety of the flying public. Compliance with the notice, procedures, and effective date provisions of section 4 of the Administrative Procedure Act would be impracticable and contrary to the public interest, and therefore is not required.

Acting pursuant to sections 205 and 601 of the Civil Aeronautics Act of 1938, as amended, and § 60.13 of the Civil Air Regulations, and in accordance with sections 3 and 4 of the Administrative Procedure Act, I hereby amend the Code of Federal Regulations, Title 14, Chapter I, Part 60, § 60.13-1, as follows:

1. The Ilio Point, Molokai, Territory of Hawaii, area is amended to read:

52 Stat. 1077, 1087, 1088, sec. 624, 46 Stat. 759; 19 U. S. C. 1484, 1557, 1624)

[SEAL]

FRANK DOW,  
Commissioner of Customs.

Approved: December 22, 1949.

JOHN S. GRAHAM,

Acting Secretary of the Treasury.

[F. R. Doc. 49-10585; Filed, Dec. 30, 1949; 8:45 a. m.]

## TITLE 22—FOREIGN RELATIONS

### Chapter II—Economic Cooperation Administration

[ECA Reg. 1, as Amended Nov. 15, 1949, Order 5]

#### PART 201—PROCEDURES FOR FURNISHING ASSISTANCE TO PARTICIPATING COUNTRIES

##### EXTENSION OF FINAL DATE FOR SUBMISSION OF DOCUMENTATION OF DELIVERY OF OCEAN TRANSPORTATION SERVICES

###### Correction

In Federal Register Document 49-10458, published on page 7760 of the issue for Thursday, December 29, 1949, the following changes have been made:

In paragraph 4 the phrase "60 days" appearing in the sixth line should read "90 days", and the phrase "30 days" appearing in the next to the last line should read "60 days".

## TITLE 24—HOUSING AND HOUSING CREDIT

### Chapter VIII—Office of Housing Expediter

[Controlled Housing Rent Reg., Amdt. 203]

[Controlled Rooms in Rooming Houses and Other Establishments Rent Reg., Amdt. 202]

#### PART 825—RENT REGULATIONS UNDER THE HOUSING AND RENT ACT OF 1947, AS AMENDED

##### ARKANSAS, KANSAS, AND VIRGINIA

The Controlled Housing Rent Regulation (§§ 825.1 to 825.12) and the Rent Regulation for Controlled Rooms in Rooming Houses and Other Establish-



ments (§§ 825.81 to 825.92) are amended in the following respects:

1. Schedule A, Item 19, is amended to read as follows:

(19) [Revoked and decontrolled.]

This decontrols the entire Blytheville, Arkansas, Defense-Rental Area, based on a resolution submitted in accordance with section 204 (j) (3) of the Housing and Rent Act of 1947, as amended.

2. Schedule A, Item 123, is amended to read as follows:

(123) [Revoked and decontrolled.]

This decontrols (1) the City of Wichita in Sedgwick County, Kansas, a portion of the Wichita, Kansas, Defense-Rental Area, based on a resolution submitted in accordance with section 204 (j) (3) of the Housing and Rent Act of 1947, as amended, and (2) the remainder of the said area on the Housing Expediter's own initiative, in accordance with section 204 (c) of said act.

3. Schedule A, Item 345c, is amended to describe the counties in the Defense-Rental Area as follows:

The County of Augusta, except the City of Waynesboro, and the Independent City of Staunton; the County of Rockingham and the Independent City of Harrisonburg.

This decontrols the City of Waynesboro in Augusta County, Virginia, a portion of the Staunton, Virginia, Defense-Rental Area, based on the Housing Expediter's own initiative in accordance with section 204 (c) of the Housing and Rent Act of 1947, as amended.

(Sec. 204 (d), 61 Stat. 197, as amended, 62 Stat. 37, 94, Pub. Law 31, 81st Cong.; 50 U. S. C. App. 1894 (d))

This amendment shall become effective on December 29, 1949, except for Item 3 thereof which shall be effective as of January 1, 1950.

Issued this 28th day of December 1949.

ED DUPREE,  
Acting Housing Expediter.

[F. R. Doc. 49-10602; Filed, Dec. 30, 1949;  
8:51 a. m.]

[Controlled Housing Rent Reg., Amdt. 204]

[Controlled Rooms in Rooming Houses and Other Establishments Rent Reg., Amdt. 203]

#### PART 825—RENT REGULATIONS UNDER THE HOUSING AND RENT ACT OF 1947, AS AMENDED

##### CERTAIN STATES

The Controlled Housing Rent Regulation (§§ 825.1 to 825.12) and the Rent Regulation for Controlled Rooms in Rooming Houses and Other Establishments (§§ 825.81 to 825.92) are amended in the following respects:

1. Schedule A, Item 35b, is amended to read as follows:

(35b) [Revoked and decontrolled.]

This decontrols the entire San Benito, California, Defense-Rental Area.

2. Schedule A, Item 88c, is amended to read as follows:

(88c) [Revoked and decontrolled.]

This decontrols the entire Mattoon, Illinois, Defense-Rental Area.

3. Schedule A, Item 91b, is amended to describe the counties in the Defense-Rental Area as follows:

In Ford County, Patton Township.

This decontrols the entire Paxton, Illinois, Defense-Rental Area except for Patton Township in Ford County, Illinois.

4. Schedule A, Item 114b, is amended to describe the counties in the Defense-Rental Area as follows:

In Woodbury County, the City of Sioux City and the Townships of Woodbury and Sioux City.

This decontrols the entire Sioux City, Iowa, Defense-Rental Area, except for the said city and townships in Woodbury County, Iowa.

5. Schedule A, Item 168c, is amended to read as follows:

(168c) [Revoked and decontrolled.]

This decontrols the entire Franklin County, Missouri, Defense-Rental Area.

6. Schedule A, Item 207, is amended to describe the counties in the Defense-Rental Area as follows:

County of Schenectady.

In Montgomery County, the Town and City of Amsterdam.

This decontrols all of Saratoga County, and all of Montgomery County except the Town of Amsterdam and City of Amsterdam, New York, all portions of the Schenectady, New York, Defense-Rental Area.

7. Schedule A, Item 258, is amended to describe the counties in the Defense-Rental Area as follows:

In Blair County, the Townships of Allegheny, Antis, Blair, Frankstown, Logan and Snyder, and the Boroughs of Bellwood, Duncansville, Hollidaysburg, Newry and Tyrone; Cambria County; and in Somerset County, the Townships of Black, Conemough, Jenner, Lincoln, Ogle, Paint, Shade, Somerset, Summit and Quemahoning, and the Boroughs of Benson, Boswell, Central City, Hooversville, Garrett, Jennerstown, Meyersdale, Paint, Rockwood, Somerset, Stoyestown and Windber.

This decontrols all of Blair County, Pennsylvania, a portion of the Altoona-Johnston Defense-Rental Area, except for the townships and boroughs listed above.

All the above decontrol actions are based on the Housing Expediter's own initiative in accordance with section 204 (c) of the Housing and Rent Act of 1947, as amended.

(Sec. 204 (d), 61 Stat. 197, as amended, 62 Stat. 37, 94, Pub. Law 31, 81st Cong.; 50 U. S. C. App. 1894 (d))

This amendment shall become effective January 3, 1950.

Issued this 29th day of December 1949.

ED DUPREE,  
Acting Housing Expediter.

[F. R. Doc. 49-10603; Filed, Dec. 30, 1949;  
8:52 a. m.]

## TITLE 26—INTERNAL REVENUE

### Chapter I—Bureau of Internal Revenue, Department of the Treasury

#### Subchapter C—Miscellaneous Excise Taxes

[T. D. 5767]

#### PART 182—INDUSTRIAL ALCOHOL

##### AUTHORIZATION OF TANK TRUCK SHIPMENTS OF ETHYL ACETATE, PROPRIETARY SOLVENTS, AND LACQUER THINNERS BY MOTOR CARRIERS

1. Paragraphs (b) and (c) of § 182.841 and paragraphs (a), (b) and (c) of § 182.847 of Regulations 3 (26 CFR, Part 182), approved March 6, 1942, relating to industrial alcohol are hereby amended as follows:

##### OPERATIONS BY USERS OF SPECIALLY DENATURED ALCOHOL

###### ETHYL ACETATE

§ 182.841 Sales to and by dealers.

(b) Tank cars, or tank trucks. Upon written authorization of the district supervisor, shipments of ethyl acetate may be made by producers in railroad tank cars, or in tank trucks operated by motor carriers as defined by the regulations in this part, or in tank trucks operated or controlled by producers, or their bona fide agents, to themselves at other locations, and to their bona fide agents where title remains vested in the producers; and producers and their bona fide agents may make shipments of ethyl acetate by such means to (1) other producers, and (2) actual users for solvent or manufacturing purposes and not for resale. In the case of railroad tank car shipments the consignee must have railroad siding facilities at his premises for receiving such tank car shipments. When ethyl acetate is so shipped by tank car, or tank truck, it must be run directly from the tank car, or tank truck into a stationary tank on the consignee's premises; it may not be drawn into portable, unmarked containers.

(c) Marks and brands. Containers of ethyl acetate of one-half gallon or more capacity must have marked thereon the name of the product, the quantity, and the name and address of the producer, or, in lieu thereof, the name and address of the wholesale or retail dealer and the basic permit number and State of the producer. When shipment is made in a tank car, or tank truck, a label showing such data will be affixed to the route board of each tank car, or tank truck.

(Secs. 2866, 3070, 3105, 3109, 3111, 3114, 3124 (a) (6), 3176, I. R. C.)

##### PROPRIETARY SOLVENTS AND LACQUER THINNERS

§ 182.847 Containers. . . .

(a) Embossed symbols. All packages containing more than 5 wine gallons shall have embossed thereon the serial number and permit number or symbol of the producer by or for whom the packages are filled, such as are prescribed in § 182.727 with respect to completely denatured alcohol. The provision of § 182.727 relative to embossed packages for completely denatured alcohol shall



also apply to embossed packages for proprietary solvents and lacquer thinners. Upon written authorization of the district supervisor, shipments of proprietary solvents and lacquer thinners may be made by producers in railroad tank cars, or in tank trucks operated by motor carriers as defined by the regulations in this part, or in tank trucks operated or controlled by producers, or their bona fide agents, to themselves at other locations, and to their bona fide agents, where title remains vested in the producer; and producers and their bona fide agents may make shipments of such solvents and lacquer thinners by such means to (1) other producers, and (2) actual users for solvent or manufacturing purposes and not for resale: *Provided*, That in the case of railroad tank car shipments, the vendee has railroad siding facilities at his premises for receiving such tank car shipments, and in the case of tank truck shipments, the producer shall be responsible under his bonds for the delivery of the proprietary solvents or lacquer thinners to the actual user for solvent or manufacturing purposes. When proprietary solvents and lacquer thinners are so shipped by tank car, or tank truck, they must be run directly from the tank car, or tank truck into a stationary tank on the consignee's premises; they may not be drawn into portable, unmarked containers.

(i) *Exception*. The provisions of Treasury Decisions Nos. 5065 and 5075 are hereby extended to containers of lacquer thinners.

(b) *Labels*. Where proprietary solvents and lacquer thinners are packaged by producers or their agents in containers of 5 wine gallons or less, such containers must be labeled to show the producer's name, address, and permit number: *Provided*, That where the products are packaged for a dealer, the name and address of the dealer may be shown in lieu of the name and address of the producer, but the basic permit number of the producer must be placed on the labels. Where dealers repackage proprietary solvents or lacquer thinners in containers of not over 5 wine gallons capacity, as authorized in paragraph (d) of this section, the name, address, and basic permit number of the producer, or the name and address of the dealer and the basic permit number of the producer, shall likewise be placed on the labels of all containers of one-half gallon or more capacity. When proprietary solvents and lacquer thinners are shipped in tank cars, or tank trucks, a label will be affixed to the route board of each such vehicle giving the name of the product, the quantity, and the producer's name, address, and permit number. Where such shipments are made by the producer's bona fide agent, the name and address of the agent may be shown in lieu of the name and address of the producer, but the basic permit number of the producer must be placed on the label.

(c) *Packaging by agents*. Bona fide agents of producers receiving proprietary solvents and lacquer thinners in railroad tank cars or in tank trucks may transfer such products to packages, subject to the provisions of this section for

sale to others, such packages if more than 5 gallons capacity to be furnished by the producer.

(Secs. 3070, 3105, 3109, 3111, 3114, 3124 (a) (6), 3176, I. R. C.)

2. The purpose of these amendments is to authorize tank truck shipments of ethyl acetate, proprietary solvents, and lacquer thinners by motor carriers.

3. It is found that compliance with the notice and public rule making procedure of the Administrative Procedure Act (5 U. S. C. 1001 et seq.) is unnecessary in connection with the issuance of these regulations for the reason that the changes made are of a liberalizing character.

4. This Treasury decision shall be effective on the 31st day after the date of its publication in the FEDERAL REGISTER.

(26 U. S. C., secs. 2866, 3070, 3105, 3109, 3111, 3114, 3124 (a) (6), and 3176)

[SEAL] GEO. J. SCHOENEMAN,  
Commissioner of Internal Revenue.

Approved: December 23, 1949.

THOMAS J. LYNCH,  
Acting Secretary of the Treasury.

[F. R. Doc. 49-10586; Filed, Dec. 30, 1949;  
8:46 a. m.]

## TITLE 29—LABOR

### Chapter V—Wage and Hour Division, Department of Labor

#### PART 521—EMPLOYMENT OF APPRENTICES REQUEST FOR SPECIAL CERTIFICATE

On December 15, 1949, the Administrator published in the FEDERAL REGISTER an amendment to § 521.4 of the apprenticeship regulations relaxing the requirement of that section to the extent that certain approved apprenticeship agreements entered into before January 25, 1950, need not be forwarded to the Wage and Hour Division for a special certificate. Because of a clerical error the amendment failed to make clear that apprenticeship agreements approved directly by the Bureau of Apprenticeship in the United States Department of Labor are included in the exemption.

Therefore, pursuant to the authority vested in me by section 14 of the Fair Labor Standards Act as amended (52 Stat. 1068, 29 U. S. C. 214, as amended 63 Stat. 910), § 521.4 (b) is hereby further amended to read as follows:

#### § 521.4 Request for special certificate.

(b) The requirement of this section that the approved apprenticeship agreement be sent to the Wage and Hour Division with a request for issuance of a special certificate need not be met in the case of an apprenticeship agreement which has been approved and registered prior to January 25, 1950, with either (1) a local joint apprenticeship committee, consisting of an equal number of representatives of employers and of labor, whose membership and procedures have been recognized by a recognized state apprenticeship council (or authority), or if no such council (or authority) exists in the state, by the Federal Committee

on Apprenticeship; or (2) a state apprenticeship council (or corresponding apprenticeship authority) if such council (or authority) has been recognized by the Federal Committee on Apprenticeship; or (3) the Bureau of Apprenticeship in the U. S. Department of Labor; and such approved and registered agreement shall be deemed a certificate authorizing employers to employ apprentices at the wage rates and for the period specified in said agreement, until such time as such authorization is rescinded, revoked or otherwise modified: *Provided, however*, That nothing contained herein shall relieve an employer from complying with the requirements of the act or the regulations in this part prior to January 25, 1950.

(52 Stat. 1068, as amended, 63 Stat. 910; 29 U. S. C. 214)

Signed at Washington, D. C., this 28th day of December 1949.

WM. R. McCOMB,  
Administrator.

[F. R. Doc. 49-10604; Filed, Dec. 30, 1949;  
8:52 a. m.]

## TITLE 32—NATIONAL DEFENSE

### Chapter VI—Department of the Navy

#### PART 725—PHYSICAL SEPARATION AND RETIREMENT

##### Correction

In Federal Register Document 49-10132, appearing at page 7582 of the issue for Tuesday, December 20, 1949, the authority citation should read as follows:

AUTHORITY: §§ 725.1 to 725.24 issued under sec. 413, Title IV, Pub. Law 351, 81st Cong.

## TITLE 36—PARKS, FORESTS, AND MEMORIALS

### Chapter I—National Park Service, Department of the Interior

#### PART 28—LABOR STANDARDS APPLICABLE TO EMPLOYEES OF NATIONAL PARK SERVICE CONCESSIONERS

##### WAGES AND OVERTIME COMPENSATION

Subparagraphs (1) and (2), paragraph (b), § 28.5 *Wages and overtime compensation*, are amended to read as follows:

(b) (1) Until March 31, 1950, no less than one and one-quarter times the regular rate of pay at which the employee is employed shall be paid for all hours worked in excess of 48 per week.

(2) From April 1, 1950, to and including December 31, 1951, no less than one and one-half times the regular rate of pay at which the employee is employed shall be paid for all hours worked in excess of 44 per week.

(Sec. 3, 39 Stat. 535, as amended; 16 U. S. C. 3)

Issued this 28th day of December 1949.

OSCAR L. CHAPMAN,  
Secretary of the Interior.

[F. R. Doc. 49-10616; Filed, Dec. 30, 1949;  
8:56 a. m.]



## TITLE 47—TELECOMMUNICATION

### Chapter I—Federal Communications Commission

#### PART 35—UNIFORM SYSTEM OF ACCOUNTS FOR WIRE-TELEGRAPH AND OCEAN-CABLE CARRIERS

##### RECAPITULATION OF PART

Because of the number of outstanding amendments to Part 35 since it was last published in the FEDERAL REGISTER (12 F. R. 261), there follows a recapitulation of this part revised to and including the Commission's actions of October 14, 1949 (14 F. R. 6407, 6445).

In connection with the Commission's orders amending Part 35, adopted October 14, 1949, and incorporated herein, it should here be noted that the effective date of these amendments is May 1, 1950, or January 1, 1950, in the discretion of the carrier, with the further proviso that the retirement units prescribed thereby may be used by any carrier effective October 14, 1949.

##### APPLICABILITY

- Sec.  
35.01-1 Carriers subject to this system of accounts.  
35.01-2 Classification of carriers.  
35.01-3 Determination of class.  
35.01-4 Effective date.

##### DEFINITIONS

- 35.02-1 Restrictive use of certain terms.

##### INSTRUCTIONS—GENERAL

- 35.03-1 Classes of records.  
35.03-2 Basis of entries in books of account.  
35.03-3 Records supporting accounting entries.  
35.03-4 Transactions with affiliates.  
35.03-5 Summary accounts, subaccounts, additional clearing accounts, and temporary or experimental accounts.  
35.03-6 Transferring balances from accounts previously maintained.  
35.03-7 Charges to be just and reasonable.  
35.03-8 Entries involving telephone or radio-telegraph service.  
35.03-9 Sequence of accounts.  
35.03-10 Preliminary investigations and research.  
35.03-11 Interpretation of the prescribed accounting.  
35.03-12 Interpretation of item lists.  
35.03-13 Delayed items.  
35.03-14 Unaudited items.  
35.03-15 Unusual items.  
35.03-16 Transactions involving foreign currency.  
35.03-17 Apportioning amounts among accounts.  
35.03-18 Transactions involving joint operations.  
35.03-19 Transactions involving interchange of traffic.  
35.03-20 Commissions.  
35.03-21 Transactions involving leased property.

##### INSTRUCTIONS—DEPRECIATION ACCOUNTING

- 35.04-1 Classes of depreciable operated plant.  
35.04-2 Computation of depreciation rates.  
35.04-3 Depreciation charges.  
35.04-4 Extraordinary retirements.

##### INSTRUCTIONS FOR CLASS B CARRIERS

- 35.05-1 Primary operating-revenue accounts for class B carriers.

- Sec.  
35.05-2 Primary operating-expense accounts for class B carriers.

##### REPORTING REQUIREMENTS

- 35.06-1 Provisions that require the specific approval of the Commission before the accounting is performed.  
35.06-2 Provisions that require certain special reports to be filed.

##### BALANCE-SHEET ACCOUNTS

##### INSTRUCTIONS

- 35.10-1 Purpose of balance-sheet accounts.  
35.10-2 Current assets.  
35.10-3 Prepayments.  
35.10-4 Deferred charges.  
35.10-5 Current liabilities.  
35.10-6 Long-term debt.  
35.10-7 Book cost of securities owned.  
35.10-8 Exchange of securities.  
35.10-9 Capital stock.  
35.10-10 Surplus.  
35.10-11 Provisions for future settlements.  
35.10-12 Deferred credits.  
35.10-13 Discount, expense, and premium on capital stock.  
35.10-14 Discount, expense, and premium on long-term debt.  
35.10-15 Irrevocable trusts.  
35.10-16 Contingent assets and liabilities.  
35.10-17 Nominally issued securities.  
35.10-99 Contemplated form of balance sheet.

##### PRESCRIBED ACCOUNTS

NOTE: Number to the right of the decimal point is the account number.

##### Communication Plant

- 35.1000 Operated plant in carrier's service.  
35.1100 Operated plant leased to others.  
35.1200 Improvements and replacements of operated plant leased from others.  
35.1300 Plant under construction.  
35.1400 Plant held for future communication use.  
35.1510 Plant-acquisition adjustments.  
35.1515 Allowance for depreciation—Wire-telegraph and ocean-cable plant.  
35.1520 Allowance for amortization—Wire-telegraph and ocean-cable plant.  
35.1530 Telephone and radiotelegraph plant.  
35.1535 Allowance for depreciation and amortization—Telephone and radiotelegraph plant.  
35.1540 Plant in process of reclassification.  
35.1545 Plant adjustments.  
35.1599 Foreign investment in communication plant.

##### Investments and Funds

- 35.1610 Miscellaneous physical property.  
35.1615 Allowance for depreciation—Miscellaneous physical property.  
35.1620 Investments in affiliates.  
35.1629 Other investments.  
35.1630 Debt-redemption funds.  
35.1635 Employees' provident funds.  
35.1640 Insurance funds.  
35.1645 Miscellaneous funds held by trustees.  
35.1659 Other miscellaneous funds.  
35.1698 Amortized discount and premium on investment securities.  
35.1699 Allowance for doubtful investments.

##### Current Assets

- 35.1710 Cash.  
35.1715 Special cash deposits.  
35.1720 Working cash advances.  
35.1725 Temporary investments.  
35.1730 Receivables from customers.  
35.1742 Traffic settlements receivable from affiliates.  
35.1749 Other receivables from affiliates.

##### (Receivables From Nonaffiliates)

- 35.1751 Notes receivable.  
35.1752 Traffic settlements receivable.

- Sec.  
35.1753 Matured interest receivable.  
35.1754 Declared dividends receivable.  
35.1755 Matured rents receivable.  
35.1759 Other accounts receivable.  
35.1765 Allowance for uncollectible receivables.  
35.1770 Unmatured accrued receivables.  
35.1775 Subscriptions to capital stock.  
35.1780 Deposits on subscriptions to capital stock.  
35.1785 Subscriptions to bonds.  
35.1790 Deposits on subscriptions to bonds.  
35.1795 Material and supplies.  
35.1799 Other current assets.

##### Prepayments

- 35.1810 Prepaid insurance.  
35.1815 Prepaid rents.  
35.1820 Prepaid taxes.  
35.1899 Other prepayments.

##### Deferred Charges

- 35.1910 Extraordinary maintenance, depreciation, and retirements.  
35.1915 Capital-stock expense.  
35.1920 Long-term debt expense.  
35.1925 Discount on capital stock.  
35.1930 Unamortized discount on debt.  
35.1935 Preliminary survey and investigation charges.  
35.1940 Debit balances in clearing accounts.  
35.1999 Other deferred charges.

##### Long-Term Debt

- 35.2010 Bonds actually issued.  
35.2015 Bonds reacquired.  
35.2020 Bonds subscribed—Unissued.  
35.2025 Receivers' and trustees' securities.  
35.2030 Advances from affiliates.  
35.2099 Other long-term debt.

##### Current Liabilities

- 35.2101 Unpaid wages.  
35.2111 Liability for tax collections.  
35.2113 Unpaid money-orders.  
35.2115 Customers' deposits.  
35.2120 Matured long-term debt.  
35.2122 Traffic settlements payable to affiliates.  
35.2129 Other payables to affiliates.  
(Payables to Nonaffiliates)  
35.2131 Notes payable.  
35.2132 Traffic settlements payable.  
35.2133 Matured interest payable.  
35.2134 Dividends payable.  
35.2135 Matured rents payable.  
35.2139 Other accounts payable.  
35.2155 Advance billings.  
35.2160 Liability on installment-plan sales of capital stock.

##### (Liability Accruals)

- 35.2164 Dividends declared.  
35.2165 Interest accruals.  
35.2170 Rent accruals.  
35.2175 Tax accruals.  
35.2180 Other liability accruals.  
35.2199 Other current liabilities.

##### Provisions for Future Settlements

- 35.2210 Provisions for employees pensions and welfare.  
35.2215 Provisions for self-carried insurance.  
35.2220 Provisions for equalization of maintenance expenses.  
35.2225 Provisions for depreciation and replacement of operated plant leased from others.  
35.2230 Leased operated plant retired.  
35.2299 Other provisions for future settlements.

##### Deferred Credits

- 35.2310 Unamortized premium on debt.  
35.2315 Advances for construction.  
35.2320 Credit balances in clearing accounts.  
35.2399 Other deferred credits.



Capital Stock	
Sec.	
35.2410	Capital stock issued.
35.2415	Capital stock reacquired.
35.2420	Capital stock subscribed—Unissued.
35.2425	Obligations for stock conversion.
Capital Surplus	
35.2510	Premiums and assessments on capital stock.
35.2515	Contributions of plant.
35.2599	Other capital surplus.
Earned Surplus	
35.2610	Contractual reserves.
35.2615	Reserve against impairment of stated capital.
35.2620	Miscellaneous reserves.
35.2699	Unappropriated earned surplus.
OPERATED PLANT ACCOUNTS	
INSTRUCTIONS	
35.1-1	Purpose and content of operated plant accounts.
35.1-2	Accounting for plant acquisitions.
35.1-3	Components of construction costs.
35.1-4	Overhead construction costs.
35.1-5	Expenditures on operated plant leased from others.
35.1-6	Additions, retirements, and replacements of operated plant.
35.1-7	Transfers of plant.
35.1-8	Continuous property-record required.
35.1-99	Contemplated form of plant statement.
PRESCRIBED ACCOUNTS	
NOTE: Number to the right of the decimal point is the account number.	
Real Estate	
35.11	Land used for right of way.
35.12	Land used for building sites.
35.13	Land used for other operations.
35.14	Land improvements.
35.15	Buildings.
Outside Communication Lines	
35.21	Poles.
35.22	Aerial wire.
35.23	Aerial cable.
35.24	Underground cable.
35.25	Buried cable.
35.26	Submarine cable.
35.27	House cable.
35.28	Underground conduit.
35.29	Pneumatic tubes.
35.31	Ocean cable.
Inside Communication Plant	
35.41	Message transmitting and receiving equipment.
35.42	Repeater and terminal equipment.
35.43	Switchboards and distributing frames.
35.44	Pneumatic-tube and conveyer equipment.
35.45	Power equipment.
35.46	Messenger call-circuit equipment.
35.47	Time-service equipment.
35.48	Ticker and commercial news service equipment.
35.49	Office cable and conduit.
35.51	Equipment furnished customers.
35.59	Other inside communication plant.
Office and Messenger Equipment	
35.61	Furniture and office appliances.
35.65	Messenger uniforms.
35.69	Other office and messenger equipment.
Work Equipment	
35.71	Vehicles.
35.72	Shop equipment.
35.73	Store and warehouse equipment.
35.74	Tools and implements.
35.75	Floating equipment.

Sec.	
35.76	Railway equipment.
35.77	Emergency facilities.
35.78	Laboratory equipment.
Intangibles	
35.81	Organization.
35.82	Franchises.
35.83	Patent rights.
35.84	Leaseholds.
35.85	Research and development.
35.89	Other intangibles.
Other Plant Accounts	
35.91	Plant acquired—Undistributed charges.
35.92	Plant sold—Undistributed credits.
INCOME AND EARNED-SURPLUS ACCOUNTS	
INSTRUCTIONS	
35.30-1	Purpose of income accounts.
35.30-2	Income from debt-redemption and other funds.
35.30-3	Rents includible in income accounts.
35.30-4	Disposition of balances in income accounts.
35.30-5	Purpose of earned-surplus accounts.
35.30-6	Disposition of balances in earned-surplus accounts.
35.30-99	Contemplated form of income and earned-surplus statement.
PRESCRIBED ACCOUNTS	
NOTE: Number to the right of the decimal point is the account number.	
INCOME ACCOUNTS	
Ordinary Income—Communication	
35.3000	Operating revenues.
(Operating-Revenue Deductions)	
35.4000	Operating expenses.
35.4910	Depreciation.
35.4915	Amortization—Intangible operated plant.
35.4920	Amortization of plant-acquisition adjustments.
35.4925	Extraordinary plant losses.
35.4931	Social security taxes—Operating.
35.4932	Other taxes—Operating.
35.4935	Uncollectible revenues.
35.4945	Telephone and radiotelegraph operating-revenue deductions.
35.4950	Revenue-contract payments.
35.4999	Other operating-revenue deductions.
(Other Communication Income)	
35.5010	Income from operated plant leased to others.
35.5015	Income from telephone and radio-telegraph plant leased to others.
35.5020	Profit from general services, licenses, and royalties.
35.5089	Income from foreign operations.
35.5099	Other communication income.
Ordinary Income—Noncommunication	
35.5110	Income from miscellaneous physical property.
35.5115	Income from merchandising, jobbing, and contracting.
35.5120	Dividend income.
35.5125	Interest income.
35.5135	Income from debt-redemption and other funds.
35.5140	Gain or loss on foreign currency exchange.
35.5199	Other noncommunication income.
Deductions From Ordinary Income	
35.5205	Rent for lease of operated plant.
35.5210	Interest on long-term debt.
35.5215	Interest on indebtedness to affiliates.
35.5220	Amortization of debt discount.
35.5225	Interest charged to construction—Cr.
35.5230	Amortization of debt premium—Cr.

Sec.	
35.5233	Interest on past-due tax assessments.
35.5235	Other interest charges.
35.5240	Taxes assumed on interest.
35.5245	Amortization of debt expense.
35.5250	Miscellaneous taxes.
35.5255	Amortization of plant-acquisition adjustments.
35.5260	Revenue-contract payments.
35.5299	Other deductions from ordinary income.
Extraordinary Income	
35.6110	Extraordinary current income credits.
35.6120	Extraordinary current income charges.
35.6210	Delayed income credits.
35.6220	Delayed income charges.
Deductions from Net Income	
35.7010	Income taxes.
35.7099	Other deductions from net income.
EARNED-SURPLUS ACCOUNTS	
Earned Surplus—Credits	
35.8110	Balance transferred from income accounts.
35.8199	Miscellaneous credits to earned surplus.
Earned Surplus—Charges	
35.8299	Miscellaneous charges to earned surplus.
35.8310	Contractual appropriations of earned surplus.
35.8315	Earned surplus employed in reacquisition of capital stock.
35.8320	Miscellaneous appropriations of earned surplus.
35.8399	Dividend appropriations of earned surplus.
OPERATING-REVENUE ACCOUNTS	
INSTRUCTIONS	
35.31-1	Purpose of operating-revenue accounts.
35.31-2	Basis of credits to the operating-revenue accounts.
35.31-3	Divisions of operating revenues.
35.31-4	Services furnished without direct charge.
35.31-5	Subdivisions of operating-revenue accounts.
35.31-99	Contemplated form of operating-revenue statement.
PRESCRIBED ACCOUNTS	
NOTE: Number to the right of the decimal point is the account number.	
Wire-Telegraph Transmission Revenues	
35.3110	Public message revenue.
35.3115	United States government message revenue.
35.3125	Press message revenue.
35.3130	Money-order message revenue.
35.3135	News (CND) service revenue.
35.3140	Contract (CAK) message revenue.
35.3145	Facsimile or photogram service revenue.
35.3155	Telephone service revenue.
35.3160	Wire-telegraph revenue on cable and radio messages.
35.3199	Other wire-telegraph transmission revenues.
Transoceanic Message Revenue	
35.3200	Transoceanic message revenue.
35.3210	Public message revenue.
35.3215	U. S. government message revenue.
35.3220	Other governments message revenue.
35.3225	Press message revenue.
35.3230	Other commuted-rate revenue.
35.3299	Other message revenue.
Terminal Commission Revenues	
35.3350	Terminal commissions.



## Wire-Telegraph Nontransmission Revenues

Sec.	
35.3410	Leased-circuit revenue.
35.3415	Measured-service revenue.
35.3420	Other leased-plant revenue.
35.3425	Code-registration revenue.
35.3430	Errand-service revenue.
35.3435	Money-order charges.
35.3440	Time-service revenue.
35.3499	Other wire-telegraph nontransmission revenues.

## Other Transmission Revenue

35.3700	Other transmission revenue.
35.3705	Scheduled transmission service revenue.
35.3725	Broadcast-program service revenue.
35.3735	News (CND) service revenue.
35.3745	Facsimile or photogram service revenue.
35.3755	Telephone service revenue.
35.3799	Miscellaneous transmission service revenue.

## Nontransmission Revenue

35.3800	Nontransmission revenue.
35.3810	Leased-circuit revenue.
35.3820	Other leased-plant revenue.
35.3835	Money-order fees.
35.3899	Miscellaneous nontransmission revenue.

## Other Telecommunication Revenues

35.3910	Telephone revenue—Telephone systems.
35.3925	Radiotelegraph revenue—Radiotelegraph systems.

## OPERATING-EXPENSE ACCOUNTS

## INSTRUCTIONS

35.41-1	Purpose of operating-expense accounts.
35.41-2	Basis of charges to the operating-expense accounts.
35.41-3	Operating expenses applicable to leased plant.
35.41-4	Subdivisions of operating-expense accounts.
35.41-5	Supervision and engineering.
35.41-6	Expenses of holding or servicing departments.
35.41-7	Maintenance expenses.
35.41-99	Contemplated form of operating-expense statement.

## PRESCRIBED ACCOUNTS

NOTE: Number to the right of the decimal point is the account number.

## Maintenance Expenses

35.4101	Supervision of maintenance.
35.4110	Testing and regulating.
35.4120	Maintenance of inside plant.
35.4130	Maintenance of aerial plant.
35.4140	Maintenance of underground plant.
35.4150	Maintenance of real estate.
35.4160	Maintenance of ocean cable.
35.4180	Maintenance-expense equalization.
35.4199	Other maintenance expenses.

## Conducting-Operations Expenses

35.4211	Supervision of operations.
35.4212	Wages of operators.
35.4213	Wages of operating-office clerks.
35.4214	Wages of solicitors.
35.4215	Wages of messengers.
35.4219	Wages of other operating-office employees.
35.4221	Field-supervision expense.
35.4223	Advertising and soliciting expense.
35.4231	Messenger-uniform expense.
35.4239	Other messenger expense.
35.4240	Operating power.
35.4251	House service—Operating offices.
35.4255	Postage and stationery—Operating offices.
35.4259	Other supplies—Operating offices.
35.4261	Rents for operating offices.
35.4269	Rents for other facilities.
35.4271	Telephone company service.

## Sec.

35.4273	Terminal commission charges.
35.4275	Terminal commissions — Expense credit.
35.4279	Obtaining news (CND) services.
35.4281	Traffic-damage awards.
35.4285	Traffic-damage expense.
35.4291	Rest and lunch rooms.
35.4295	Employment and training.
35.4299	Other conducting-operations expenses.

## General Expenses

35.4311	Legal services.
35.4315	General services, licenses, and royalties—Dr.
35.4317	General services, licenses, and royalties—Cr.
35.4321	Insurance.
35.4323	Workmen's compensation.
35.4325	Injuries and damages.
35.4327	Relief and pensions.
35.4341	Franchise requirements.
35.4399	Other general expenses.

## Administrative Expense

35.4410	Salaries of general officers and executives.
35.4420	Salaries of general office employees.
35.4430	Expenses of general officers and general office employees.
35.4499	Other administrative expenses.

## CLEARING ACCOUNTS

## INSTRUCTIONS

35.90-1	Purpose of clearing accounts.
35.90-2	Disposition of balances in clearing accounts.
35.90-3	Subdivisions of clearing accounts.

## PRESCRIBED ACCOUNTS

NOTE: Number to the right of the decimal point is the account number.

35.9011	Research and development clearing account.
35.9012	Vehicle clearing account.
35.9013	Shop clearing account.
35.9014	Tool and implement clearing account.
35.9015	Plant-supervision clearing account.
35.9016	Supply clearing account.
35.9017	House-service clearing account.
35.9018	Floating-equipment clearing account.
35.9019	Railway-equipment clearing account.

## RETIREMENT UNITS

35.1-6-1	List of units to be used in connection with the accounting provided in § 35.1-6.
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AUTHORITY: §§ 35.01-1 to 35.1-6-1 issued under sec. 4 (1), 48 Stat. 1060; 47 U. S. C. 154 (1). Interprets or applies sec. 220, 48 Stat. 1078, 47 U. S. C. 220.

NOTE: The "Rules and Regulations of the Federal Communications Commission" incorporate all the rules and regulations of a general or permanent nature in force as of the effective date appearing at the beginning of each part. The title, "Title 47—Telecommunication," has been adopted for all the rules to correspond with the codification thereof under the provisions of the Federal Register Act, and also to correspond with the title under which the Communications Act is printed in the United States Code.

In preparing this compilation, the Commission has had in mind the necessity for an arrangement which would make the rules conveniently accessible and one which would also make provision for future amendments. To this end all the existing rules have been logically arranged under 34 parts, which have been suitably subdivided, employing non-consecutive part numbers from 1 to 65, making provision for substitutions and additions.

This system of accounts (Part 35 of the Commission's rules and regulations) supersedes §§ 35.01-0 to 35.709, inclusive, pre-

viously published under this part number in the Code of Federal Regulations. Neither the superseded sections nor this system of accounts purports to provide for a complete comparative evaluation of the benefits extended and received under reciprocal agreements with railroad companies and others. The several section numbers indicate the relationship among the instructions and accounts of part 35, as follows:

## Examples:

(1) § 35.01-1.	(4) § 35.1000.
(2) § 35.10-1.	(5) § 35.11.
(3) § 35.1-2.	(6) § 35.1515.

**Explanation.** The number "35" (appearing to the left of the decimal point) indicates the part number.

The dash (-) indicates an instruction that is applicable to several accounts. (See examples (1), (2), and (3).)

With the exception of the instructions that are applicable to more than one group of accounts (which are indicated by a zero following the decimal point), the number between the decimal point and the dash indicates the group of accounts to which the instruction is applicable by the use of a mnemonic method of indication consisting of the first two digits of the first account in a group composed of four-digit account numbers, and the first digit of the first account in a group composed of two-digit account numbers (applicable only to the plant accounts in this system of accounts). Thus, in the foregoing examples:

Section 35.01-1 refers to several groups of accounts;

Section 35.10-1 refers to the balance-sheet accounts (beginning with account 1000);

Section 35.1-2 refers to the plant accounts (beginning with account 11).

When no dash appears in the section number, the number to the right of the decimal point is an account number. (See examples (4), (5), and (6).) A colon (:) indicates the subdivision of an account, the number to the right of the colon being the subaccount number. Where references throughout the regulations are to an account, as such, only the account number is used.

## APPLICABILITY

§ 35.01-1 *Carriers subject to this system of accounts.* This system of accounts applies to carriers engaged primarily in furnishing wire-telegraph or ocean-cable service. (See also § 35.03-8.)

§ 35.01-2 *Classification of carriers.* (a) For the purpose of applying this system of accounts wire-telegraph and ocean-cable carriers are divided into two classes, as follows:

*Class A.* Carriers having average annual operating revenues exceeding \$100,000. Such carriers shall keep all the accounts that are applicable to their affairs.

*Class B.* Carriers having average annual operating revenues exceeding \$50,000, but not exceeding \$100,000. Such carriers shall keep all the accounts that are applicable to their affairs, except that their accounts for operating revenues and operating expenses may be kept under the condensed primary classifications provided in §§ 35.05-1 and 35.05-2.

(b) Carriers having average annual operating revenues not exceeding \$50,000 may (but are not required to) keep the accounts prescribed in this system of accounts.

§ 35.01-3 *Determination of class.* (a) The class to which any carrier belongs shall be determined by the average of its annual operating revenues for the 3 years immediately preceding the effective date



of this system of accounts. If at the close of any subsequent calendar year the average of its annual operating revenues for the latest 3 years is greater than the amount applicable to the class in which the carrier has been previously includible, the accounts applicable to the higher class shall be adopted.

(b) Carriers not engaged in furnishing wire-telegraph or ocean-cable service over the 3-year period immediately preceding the effective date of this system of accounts shall estimate the amount of their annual operating revenues and shall keep the accounts applicable to carriers having actual revenues in the amount estimated.

§ 35.01-4 *Effective date.* The effective date of this system of accounts shall be extended to January 1, 1943: *Provided, however,* That the carriers to which this system of accounts is applicable shall continue to pursue with all possible diligence the major studies essential to providing accounting consistent with this system of accounts, particularly with respect to (a) the determination of original cost, (b) leased property, and (c) depreciation; and each such carrier shall advise the Commission promptly of any definite determination resulting from such studies to the end that appropriate adjustment may be made irrespective of the effective date of this system of accounts.

#### DEFINITIONS

§ 35.02-1 *Restrictive use of certain terms.* When used in this system of accounts, unless otherwise indicated, the term or expression—

"Accounts" or "these accounts" means the accounts prescribed in "this system of accounts."

"Acquisition cost" means the amount of money actually paid (or the then current money value of any consideration other than money given) by the "carrier" for property, including the preliminary expenses incurred in connection with the acquisition.

"Act" or "the act" means the Communications Act of 1934 as amended.

"Actually issued," as applied to securities issued or assumed by the "carrier," means (1) those securities that have been sold to bona-fide purchasers for a valuable consideration (including those issued in exchange for other securities or other property), (2) those that have been issued in accordance with contractual requirements directly to trustees of debt-redemption and other funds, and (3) those that have been issued in payment of dividends on stock.

"Actually outstanding," as applied to securities issued or assumed by the "carrier," means those securities that have been "actually issued" and are neither retired nor held by or for the "carrier": *Provided, however,* That securities held by trustees of debt-redemption and other funds shall be regarded and treated as actually outstanding.

"Affiliate" means (and "affiliated" relates to) a "person" that, directly, or indirectly through one or more intermediaries, "controls," is "controlled by," or is "under common control with," the "carrier."

"Amortization" means the gradual extinguishment of an amount in an account by prorating such amount over a fixed period.

"Book amount," as applied to securities issued or assumed by the "carrier," means (1) the amount duly authorized for inclusion in account 2410, "Capital stock issued," for stock having no par value, and (2) the "face amount" of all other securities.

"Book cost" means the amount at which property is recorded in an account without the deduction of amounts in related or other accounts.

"Carrier" means the accounting carrier.

"Class," as applied to depreciable plant (see § 35.04-1), means that portion of the total plant that is represented by a single primary plant account.

"Commission" means the Federal Communications Commission.

"Communication" or "communication service" means the "transmission" of writing, signs, signals, pictures, and sounds of all kinds, by aid of wire, cable, or radio, between the point of origin and the point of reception of such "transmission," including all instrumentalities, facilities, apparatus, and services (among other things, the receiving, forwarding, and delivery of communications) incidental to such "transmission."

"Compensation," as applied to officers and employees, means salaries, wages, commissions, bonuses, and other remuneration (such as subsistence furnished in lieu of wages) for services.

"Continental communication" means "communication" when both the point of origin and the point of destination are located within the "continental United States."

"Continental United States" means the several States of the United States and the District of Columbia.

"Contingent asset" means an item representing a possible source of value to the "carrier" dependent upon the fulfillment of conditions regarded as uncertain.

"Contingent liability" means an item representing a possible source of obligation of the "carrier" dependent upon the fulfillment of conditions regarded as uncertain.

"Control" means (and the terms "controlling," "controlled by," and "under common control with" relate to) the direct or indirect possession of the power (including the veto power) to direct or to cause the direction of the management, important acts, and policies of a "person," whether such power is exercised through one or more intermediary "persons," or alone, or in conjunction with, or pursuant to an agreement with, one or more other "persons," and whether such power is established through a majority or a minority ownership or voting of securities, common directors, officers, or stockholders, voting trusts, holding trusts, affiliates, contracts, or any other direct or indirect means. "Control" shall not be viewed as altered by a new status of any "person" that may be occasioned by pending proceedings in bankruptcy or by any situation of receivership, trusteeship, or

fiduciary relationship resulting from proceedings of a like nature.

"Cost," as applied to plant, means the "original cost" of plant acquired from predecessors as substantially complete operating systems or operating units and the "acquisition cost" of all other plant. Except as applied to plant, "cost" means the amount of money actually paid (or the then current money value of any consideration other than money given) by the "carrier" for property or services.

"Cost of removal" means the cost of demolishing, dismantling, tearing down, or otherwise removing plant, including the cost of transportation and handling incidental thereto.

"Date of installation," as applied to plant acquired from predecessors as substantially complete operating systems or operating units, means the date at which such plant was first dedicated to public use. As applied to all other plant, the term means the date at which such plant was placed in "communication service" by the "carrier."

"Date of retirement" means the date at which plant is retired from "communication service."

"Debt expense" means all expenses incurred by or for the "carrier" in connection with the issuance and sale of evidences of debt (exclusive of the sale of reacquired securities), such as fees for drafting mortgages and trust deeds; fees and taxes for issuing or recording evidences of debt; cost of engraving and printing bonds, certificates of indebtedness, and other commercial paper; specific costs of obtaining governmental authority for issuance and filing notices thereunder; fees for legal services; fees and commissions paid underwriters, brokers, and salesmen for marketing such evidences of debt; fees and expenses of listing on exchanges; and other like costs.

"Delayed items" means items relating to transactions that occurred during a prior calendar year and require further accounting treatment for a true statement. It includes adjustments of errors in the operating-revenue, operating-expense, and other income accounts for prior years.

"Depreciation," as applied to depreciable "operated plant," means the loss in "service value" not restored by current maintenance, incurred in connection with the consumption or prospective "retirement" of such plant in the course of service from causes known to be in current operation against which the "carrier" is not protected by insurance and the effect of which can be forecast with a reasonable approach to accuracy. Among the causes to be given consideration are wear and tear, decay, action of the elements, obsolescence, inadequacy, changes in the art, changes in demand, and requirements of public authorities.

"Discount," as applied to securities issued or assumed by the "carrier," means the excess of (1) the "book amount" of the securities over (2) the then current money value of the consideration received from their sale less the amount included therein for interest accrued or for dividends.

"Domestic message revenue" means revenue from the "transmission" of mes-



sages between points within the area comprising the "Continental United States," Alaska, Canada, Saint Pierre-Miquelon, and Mexico.

"Face amount," as applied to securities issued or assumed by the "carrier," means the amount of principal of indebtedness, or par value of stock, as set forth in the documents themselves.

"Foreign communication" means "communication" when either the point of origin or the point of destination is located without the "United States."

"Includible" means properly includible under the provisions of "this system of accounts."

"Insular communication" means "communication" between the insular territories or possessions of the United States (excluding the Canal Zone) and the "continental United States," or among the insular territories or possessions of the United States (excluding the Canal Zone).

"Investment advances" means advances, represented by notes or by book accounts only, which it is mutually agreed or intended between the creditor and the debtor shall be settled by the issuance of capital stock or evidences of long-term debt, or shall not be subject to current settlement. Advances with respect to which amounts have been, or will be, included in the current accounts for more than one year will be considered not subject to current settlement.

"Matured" means due and payable (or receivable) as at a date not later than the first day following the date of the balance sheet.

"Minor items," as applied to plant, means those quantities of depreciable "operated plant" not designated as "retirement units" in § 35.1-6-1.

"Mobile communication" means "communication" when either the point of origin or the point of destination is located on aircraft, on a ship, or on a land vehicle regularly used in "communication service."

"Net book cost," as applied to all, or to a specific portion of plant, means the "book cost" minus the recorded depreciation (or amortization) allowance that is assignable thereto.

"Net salvage value" means the "salvage value" of "plant retired" after deducting the "cost of removal" incidental to its "retirement."

"Nominally issued," as applied to securities issued or assumed by the "carrier," means those securities that have been signed, certified, or otherwise executed, and placed with the proper officer for sale and delivery, or pledged or otherwise placed in some special fund of the "carrier," but have not been sold or issued directly to trustees of debt-redemption or other funds in accordance with contractual requirements.

"Nominally outstanding," as applied to securities issued or assumed by the "carrier," means those "actually issued" securities that have been reacquired by or for the "carrier" under circumstances that prohibit considering them retired; provided, however, that securities held by trustees of debt-redemption or other funds shall be regarded and treated as "actually outstanding."

"Ocean-cable plant" means plant used or useful in furnishing "ocean-cable service."

"Ocean-cable service" means record "communication service" furnished pre- vailingly by means of transoceanic-type cable and associated facilities located at ocean-cable termini, as well as incidental services so intimately related to such "communication service" as to make impracticable the determination of the extent to which the use of plant or the operating income, revenues, or expenses are applicable to such incidental services.

"Operated plant" means the physical plant used in "wire-telegraph service" and "ocean-cable service" together with the associated intangible items.

"Original cost," as applied to plant, means the actual money cost of (or the then current money value of any consideration other than money given for) property at the time it was first dedicated to the public use, whether by the "carrier" or by any other "person."

"Person" means an individual, a corporation, a partnership, an association, a joint-stock company, a business trust, or any other organized group, or any receiver or trustee.

"Plant retired" means plant that has been removed, sold, abandoned, destroyed, or for any cause withdrawn from "communication service."

"Premium," as applied to securities issued or assumed by the "carrier," means the excess of (1) the then current money value of the consideration received from their sale, less the amount included therein for interest accrued or for dividends, over (2) their "book amount."

"Primary account" means (1) any account the name or title of which appears in the table of contents of "this system of accounts" or (2) any additional clearing account or experimental account optionally maintained pursuant to the provisions of § 35.03-5.

"Replacement" means the construction or installation of plant in place of "plant retired."

"Retirement." (See "plant retired.") "Retirement units" means the quantities of depreciable "operated plant" listed in § 35.1-6-1.

"Salvage value" means the amount received for "plant retired," if sold, less any expenses incurred in connection with such sale or in preparing the property for sale; or, if retained, the amount at which the material recovered is chargeable to account 1795, "Material and supplies," or other appropriate account.

"Service life" means the period between the "date of installation" of plant and the "date of retirement" thereof.

"Service value" means the difference between the "cost" of plant and its "net salvage value."

"Stock expense" means all expenses incurred by or for the "carrier" in connection with the issuance and sale of capital stock (exclusive of the sale of reacquired capital stock), such as fees and commissions paid to promoters, underwriters, brokers, and salesmen; fees for legal services; cost of soliciting subscriptions for capital stock, including

fees, commissions, and advertising; specific costs of obtaining governmental authority for issuance and filing notices thereunder; fees and taxes for issuance of capital stock and listing on exchanges; and the cost of preparing, engraving, printing, issuing, and distributing prospectuses and stock certificates.

"Straight-line method," as applied to "depreciation" accounting, means the plan under which the "service value" of depreciable "operated plant" is charged to depreciation, clearing, and other accounts and credited to the depreciation allowance account through equal annual charges (as nearly as may be) during its "service life."

"Subclass," as applied to depreciable plant (see § 35.04-1), means that portion of a "class" of plant, preferably corresponding to one or more "subprimary" plant accounts, to the cost of which a specific percentage rate of depreciation is applied in accounting for "depreciation," which percentage rate differs from those that are applied with respect to other "subclasses" of the same "class" of such plant.

"Subprimary account" or "subaccount" means any account, required or permitted by "this system of accounts," the balance in which, if combined with the balances in all the other accounts subprimary to the same account, will produce the balance in that "primary account."

"System of accounts" or "this system of accounts" means the rules embodied in this part (Part 35 of Title 47—Telecommunication, of the Code of Federal Regulations).

"Transmission" means the movement of "communication." It includes the receiving, forwarding, and delivery of communications.

"Transoceanic message revenue" means revenue from the "transmission" of messages between points outside the area comprising the "Continental United States," Alaska, Canada, Saint Pierre-Miquelon, and Mexico, and between such points and points designated as gateway points (or "Continental terminus," for radiotelegraph communications, as defined in Part 34 of this title).

"United States" means the several States and Territories, the District of Columbia, and the possessions of the United States, but does not include the Canal Zone.

"Wire-telegraph plant" means plant used or useful in furnishing "wire-telegraph service."

"Wire-telegraph service" means record "communication service" furnished pre- vailingly by means of metallic conductors and associated terminal facilities (excluding "ocean-cable plant"), as well as incidental services so intimately related to such "communication service" as to make impracticable the determination of the extent to which the use of plant or the operating income, revenues, or expenses are applicable to such incidental services.

#### INSTRUCTIONS—GENERAL

§ 35.03-1 *Classes of records.* (a) The records to be maintained in accordance with the provisions of this system of accounts are divided into two classes:



viz, (1) books of account, containing the primary and subprimary accounts defined in § 35.02-1, and (2) supporting records. (See also §§ 35.03-2 and 35.03-3.)

(b) All records are to be retained permanently except as otherwise provided in Part 42 (Preservation of Records) of Title 47—Telecommunication—of the Code of Federal Regulations.

§ 35.03-2 *Basis of entries in books of account.* (a) Amounts entered in the books of account shall be in denominations of United States currency. When subsidiary records are kept in which entries are made in terms of foreign currencies, the translation to terms of United States currency for entry in the books of account shall be effected as prescribed in § 35.03-16.

(b) The books of account shall be so maintained that when the full information is not recorded therein the entries shall contain sufficient reference to the supporting records to permit ready identification.

(c) Each carrier shall keep its books of account on a calendar-month basis so that for each month all transactions applicable thereto, as nearly as may be ascertained, will be entered in the books. The final entries for any month shall be made not later than 60 days after the last day of the month for which the accounts are stated, except that the period within which the final entries for the month of December shall be made may be extended to such date as will not interfere with the preparation and filing of annual reports as required by section 219 of the act.

(d) The books of account shall be maintained independently for each carrier and shall not be combined with those of any other person.

§ 35.03-3 *Records supporting accounting entries.* Supporting records shall be maintained in which shall be shown the full details concerning any entry in the books of account for which the details are not shown in the accounts themselves. The supporting records referred to herein include, in addition to the accounting records in a limited technical sense, all records such as minute-books, stock-books, reports, correspondence, memoranda, maps, plans, specifications, quantity surveys, inventories, and any and all other records that would be useful in developing the history of or the facts regarding any transaction. These supporting records shall be so filed as to be readily accessible for examination by representatives of the Commission.

§ 35.03-4 *Transactions with affiliates.* Each carrier shall so maintain its accounts and records as to be able to furnish accurately and expeditiously a statement of all transactions with affiliates. This statement shall show the general nature of the transactions, the amounts involved therein, and the amounts included in each account prescribed herein with respect to such transactions.

§ 35.03-5 *Summary accounts, subaccounts, additional clearing accounts, and temporary or experimental accounts.*

(a) Accounts that are clearly summaries of other accounts or of subaccounts provided for herein are not required to be kept in the carrier's books of accounts. However, such accounts may be opened in the general books for control purposes.

(b) All accounts kept shall conform in number and title to those prescribed herein, except that—

(1) Carriers may subdivide any of the prescribed accounts or subaccounts, provided that such subdivisions do not impair the integrity of the prescribed accounts. The titles of all such subdivisions shall refer by number or title to the account or accounts of which they are subdivisions.

(2) Clearing accounts in addition to those prescribed and temporary or experimental accounts may be kept, provided that such additional accounts do not impair the integrity of the prescribed accounts.

(3) Within 90 days from the effective date of this system of accounts, the carrier shall notify the Commission of the nature and purpose of (i) the subdivisions of the prescribed accounts, (ii) the temporary accounts, (iii) the experimental accounts, and (iv) the additional clearing accounts opened under authority of this section. The carrier shall continue to keep the Commission informed of all additional accounts (or subaccounts) of these types that are opened after such effective date.

NOTE: Only one item need be reported for a group of subaccounts that differ from each other only with respect to geographical location or type of material.

(c) When so required by a State commission or other authority exercising jurisdiction, the carriers' records may be so maintained that the amounts of plant, operating revenues, operating expenses, and other operating-revenue deductions applicable to operations within such jurisdiction may be stated separately, provided that such separate statement does not impair the integrity of any primary account or subaccount required to be maintained under this system of accounts.

§ 35.03-6 *Transferring balances from accounts previously maintained.* As at the effective date of this system of accounts, the several accounts prescribed herein shall be opened by transferring thereto the balances carried in the accounts previously maintained by the carrier. The carrier is authorized to make such subdivisions, reclassifications, or consolidations of these balances as are necessary to meet the requirements of this system of accounts. Entries that require the determination of cost by estimates shall be supported by records showing in complete detail the methods used in arriving at or computing the amounts thereof. Copies of journal entries recorded to effect the transfers, and a detailed statement of the methods used in arriving at or computing estimated costs, shall be filed with the Commission within 90 days from the dates of the entries. (See also par. (g) of § 35.1-1.)

§ 35.03-7 *Charges to be just and reasonable.* All charges to the accounts

prescribed in this system of accounts for plant, for operating revenues, and for operating expenses and other operating-revenue deductions shall be just and reasonable, and any payments by the carrier in excess of such just and reasonable charges shall be included in account 5299, "Other deductions from ordinary income."

§ 35.03-8 *Entries involving telephone or radiotelegraph service.* (a) When wire-telegraph or ocean-cable carriers are engaged also in furnishing telephone or radiotelegraph service through the utilization of distinctive portions of their facilities devoted exclusively or primarily to such service, they shall maintain accounts for the plant, operating revenues, operating expenses, and other items applicable to each such service in conformity with the respective effective accounts prescribed for carriers engaged primarily in furnishing such service. In the reports to the Commission the amounts in these accounts shall be indicated as provided in paragraph (b) of this section.

(b) The cost of distinctive telephone or radiotelegraph plant (whether operated by the carrier or others) shall be included in account 1530, "Telephone and radiotelegraph plant." The amounts of the allowances for depreciation and amortization of such plant shall be included in account 1535, "Allowance for depreciation and amortization—Telephone and radiotelegraph plant." The amounts of revenue derived from the operation of such plant by the carrier shall be credited to account 3910, "Telephone revenue—Telephone systems," or account 3925, "Radiotelegraph revenue—Radiotelegraph systems," as appropriate. The amounts of operating-revenue deductions (including operating expenses) applicable to the operation of such plant shall be charged to account 4945, "Telephone and radiotelegraph operating-revenue deductions." The rentals received from telephone or radiotelegraph plant leased to others as substantially complete operating systems or operating units shall be credited to account 5015, "Income from telephone and radiotelegraph plant leased to others," and the amounts of operating-revenue deductions applicable to the operation of such plant shall be charged to account 4945. Rentals from telephone or radiotelegraph facilities not constituting substantially complete operating systems or operating units shall be credited to the appropriate operating-revenue accounts.

(c) When the major use of a particular portion of the carrier's plant is in wire-telegraph or ocean-cable service, but the same facilities are used also in other types of communication service in a manner preventing the distinction of the physical elements associable with such services, the distribution of the operating revenues, operating expenses, and other deductions from operating revenues among the several classes of communication service where directly applicable shall be accomplished by subdivisions of the prescribed accounts, except that revenues derived from telephone service rendered through the use of such plant shall be included in ac-



count 3155, "Telephone service revenue" (wire-telegraph), or account 3755, "Telephone service revenue" (ocean-cable), as appropriate. (See also § 35.03-17.)

§ 35.03-9 *Sequence of accounts.* The order in which the accounts are presented in this system of accounts is not to be considered as necessarily indicative of the order in which they will be scheduled at all times in reports to the Commission. The sequence contemplated (until further notice) will be as indicated in the respective forms which immediately precede the texts for the several groups of accounts.

§ 35.03-10 *Preliminary investigations and research.* (a) The cost of preliminary surveys, plans, and investigations made for the purpose of determining the feasibility of contemplated major projects shall be charged to account 1935, "Preliminary survey and investigation charges," and subsequently cleared therefrom in accordance with the text of that account.

(b) The cost of research and development work such as laboratory expenses and other research items that cannot be assigned to specific construction projects shall be charged to account 9011, "Research and development clearing account," and subsequently cleared therefrom in accordance with the text of that account.

§ 35.03-11 *Interpretation of the prescribed accounting.* (a) The parenthetical cross-references and the notes following the texts of various instructions and accounts are for the purpose of indicating the particularly applicable provisions of other sections. Such references are not to be construed as comprising a complete list of the instructions relating to a particular subject since the definitions, the general instructions, and the instructions at the beginning of each group of accounts must be given consideration in determining the prescribed accounting.

(b) all questions of doubtful interpretation of the prescribed accounting shall be submitted, by responsible accounting officials of the carrier, to the Commission for consideration and decision.

§ 35.03-12 *Interpretation of item lists.* The lists of items following the texts of the several accounts are for the purpose of indicating the application of the prescribed accounting in specific cases. The lists are not to be considered as comprising all the items to be reflected in the several accounts, but merely representative of them. Although the same item may appear in more than one list, its appearance in a list warrants the reflection of such item in the account concerned only when the text of the account also so indicates. The proper entry in each instance must be determined by the text of the account.

§ 35.03-13 *Delayed items.* Delayed items shall be charged or credited to the same accounts that would have been charged or credited if the items had not been delayed; provided that, when the amount of a delayed item is relatively so large that its inclusion in the accounts for a single year would seriously distort

the accounts for that year, the carrier shall charge or credit the amount to account 6220, "Delayed income charges," or account 6210, "Delayed income credits," as appropriate. Not later than the date of filing its next annual report to the Commission the carrier shall file with the Commission a statement showing the full particulars concerning each such item, including the accounts and years that would have been affected had the item not been delayed.

§ 35.03-14 *Unaudited items.* (a) When, at the end of a calendar year or at such other time as a financial statement may be required by the Commission, it is known that a transaction has occurred which affects these accounts but the amount involved in the transaction and its effect upon the accounts cannot be accurately determined, an estimate thereof shall be included in the appropriate accounts. The carrier is not required to anticipate minor items that would not appreciably affect these accounts.

(b) If, during the interval between the date of initial estimate of the item and the date on which it is audited, a substantial difference from the initial estimate is determined, appropriate adjustment to cover such difference shall be made in the accounts for the month in which the difference is determined.

(c) When the item is audited, the necessary adjustment shall be made in the appropriate account for the month in which the item is audited.

(d) Any substantial difference determined in accordance with paragraph (b) or (c) shall be accounted for as provided in § 35.03-13 or § 35.03-15, as appropriate.

§ 35.03-15 *Unusual items.* When the amount of any item includible in an operating-revenue, operating-expense, or other income account for a single month is relatively so large that its inclusion in the accounts for that month would seriously distort that account, it may be included in account 1999, "Other deferred charges," or account 2399, "Other deferred credits," as appropriate, and distributed in equal amounts to the accounts for the current and remaining months of the calendar year.

§ 35.03-16 *Transactions involving foreign currency.* (a) Amounts to be entered in the accounts of this system that are originally stated in terms of foreign currency or that arise from contracts stated in terms of such foreign currency shall be recorded at the rate of exchange effective at the date as of which the original transaction occurs. (For the purposes of this system of accounts a contractual common denominator, such as the gold franc, shall be viewed as a unit of foreign currency, irrespective of the facts regarding actual monetary circulation.)

(b) Gains or losses due to the difference in the rates of exchange developing between the date of the original transaction referred to in paragraph (a) and the date of realization, liquidation, or settlement in cash or its equivalent, shall be credited or charged, as appropriate,

to account 5140, "Gain or loss on foreign currency exchange." Such differences shall be recorded by stages in the course of monthly restatements of current assets and current liabilities on basis of the latest applicable rates of exchange. Other balance sheet accounts shall not reflect changes prior to cash or equivalent settlement, in the rate of exchange.

§ 35.03-17 *Apportioning amounts among accounts.* (a) When it is necessary to apportion amounts among accounts or subaccounts, the carrier shall be prepared to describe the basis of such apportionment.

(b) The pay and expenses of officers or employees regularly assigned to specific duties who perform incidental services of a different nature involving small expense shall be included in the expense accounts appropriate for the duties to which such officers or employees are regularly assigned.

(c) The pay and expenses of officers or employees engaged in activities of a varying nature, such as an engineer who may be assigned to supervise construction, maintenance, or operations work, shall be included in the appropriate accounts upon the basis of the actual time devoted to the respective classes of work, except that the pay and expenses of an officer or employee who performs substantially the same variety of duties from day to day may be distributed upon the basis of a study of the time actually devoted by him to these duties during a representative period.

§ 35.03-18 *Transactions involving joint operations.* (a) In accounting for operating expenses incurred under arrangements for apportionment between the persons concerned, the creditor shall show the distribution of the charges in its bills and such distribution shall be adhered to in the accounts of any debtor to which this system of accounts is applicable.

(b) Any amounts included in the settlement representing return on investment in the plant used under joint-operation arrangements shall be charged or credited, as the case may be, to the appropriate rent-expense account or to the appropriate rent-revenue account.

§ 35.03-19 *Transactions involving interchange of traffic.* (a) A traffic-settlement account shall be maintained with each communication carrier with which traffic is interchanged (separately from the accounts maintained for other transactions with such carriers), and there shall be included in each such account both (1) amounts representing the accounting carrier's portion of revenues receivable from interchange of traffic with the respective carrier and (2) amounts representing the accounting carrier's obligation to such other carrier for traffic interchanged with it. (See also § 35.31-3.)

(b) In stating the balance sheet, the total of the debit balances remaining in these traffic-settlement accounts that have net debit balances shall be reported in account 1742, "Traffic settlements receivable from affiliates," and account 1752, "Traffic settlements receivable," as appropriate, and the total of the credit



balances remaining in these traffic-settlement accounts that have net credit balances shall be reported in account 2122, "Traffic settlements payable to affiliates," account 2132, "Traffic settlements payable," as appropriate.

§ 35.03-20 *Commissions.* (a) Commissions are amounts payable to a person acting as agent for the accounting carrier for services rendered, or amounts receivable by the accounting carrier for services rendered as agent of another person, whether such amounts are computed on a percentage basis or on a fixed unit rate.

(b) Commissions for terminal services in originating and terminating messages or similar communication services rendered to the carrier by other communication carriers, transportation companies, hotels, service stations, or other persons not employees of the carrier shall be included in account 4273, "Terminal commission charges."

(c) Commissions for services rendered by employees shall be included in the operating-expense account appropriate for the compensation of such employees.

(d) Commissions for terminal services rendered by the carrier to other carriers shall be included in account 3350, "Terminal commissions," particularly when such amounts are the result of operating agreements that provide a substantial source of revenue.

**NOTE:** Inconsequential amounts receivable for terminal services rendered to other carriers, particularly when there is no element of profit involved, may be included in account 4275, "Terminal commissions—Expense credit."

§ 35.03-21 *Transactions involving leased property.* (a) When, under the terms of a lease, the carrier obtains exclusive possession of a substantially complete operating system or operating unit, the following information applicable to such plant shall be obtained from the lessor:

- Date of installation.
- Original cost.
- Estimated service life.
- Estimated cost of removal.
- Estimated salvage value.
- Depreciation accrued by the lessor to effective date of leasing agreement.

Such information shall be made the basis of the memorandum records required under the provisions of paragraph (h) of § 35.1-5.

(b) When, under the terms of a lease, the carrier as lessor surrenders exclusive possession of a substantially complete operating system or operating unit, the information enumerated in paragraph (a) of this section shall be furnished to the lessee. The cost of such property shall be recorded in the accounts of the lessor as provided in §§ 35.1100 and 35.1-1.

(c) When, under the terms of a lease, improvements made by the lessee revert to the lessor and constitute a part of the consideration paid for the use of the plant, the cost of such improvements shall be included in the appropriate plant accounts of the lessor and in account 1815, "Prepaid rents," in the accounts of the lessee, and shall be otherwise accounted for as provided in paragraph (b) of § 35.1-5.

(d) Depreciation of the leased property shall be accounted for as provided in paragraphs (d) and (e) of § 35.1-5 and in paragraphs (b), (c), and (d) of § 35.30-3. (See also §§ 35.1515, 35.1520, 35, 2225, 35.2230, 35.4910, and 35.4915.)

§ 35.04-1 *Classes of depreciable operated plant.* The classes of depreciable operated plant and the plant accounts in which the cost of such plant is includible are as follows:

- Land used for right of way (account 11).
- Land improvements (account 14).
- Buildings (account 15).
- Outside communication lines (accounts 21 to 39, inclusive).
- Inside communication plant (accounts 41 to 59, inclusive).
- Office and messenger equipment (accounts 61 to 69, inclusive).
- Work equipment (accounts 71 to 79, inclusive).

**NOTE A:** Special instructions are provided for the accounting for the depreciation on messenger uniforms. (See particularly note B in § 35.65.)

**NOTE B:** Depreciation charges on work equipment are includible in the appropriate clearing accounts.

§ 35.04-2 *Computation of depreciation rates.* (a) Annual depreciation rates applicable to the cost of each class or subclass of depreciable plant shall be established on the basis of the estimated service values and service lives developed by a study of the carrier's history and experience and such engineering and other information as may be available with respect to prospective future conditions, but shall not include any allowance for loss in service value of property expected to be acquired in the future. These percentage rates shall be such that the loss in service value of plant, except losses excluded under the definition of depreciation, shall be accounted for under the straight-line method of depreciation accounting.

(b) The carrier shall keep such records of plant and plant retirements as will reflect the service life of plant that has been retired or will permit the determination of service-life indications by mortality, turnover, or other appropriate methods and also such records as will reflect the percentage of net salvage value for plant retired from each class of depreciable plant.

(c) When with respect to any class or subclass of plant the factors causing depreciation (and consequently occasioning the amount of the current net book cost and the rate of depreciation previously applied in the accounts) commence at any time (including the accounting period—year or month—immediately preceding retirement) to operate at a new rate, that fact shall be recognized in the accounts by applying (actually or in effect) such a new percentage rate to the cost of that plant or portion thereof as will dispose of the difference between its current net book cost and its estimated net salvage value during the period (known or estimated) of its remaining life.

§ 35.04-3 *Depreciation charges.* (a) The current depreciation charges applicable to operated plant the cost of which is includible in account 1000, "Operated plant in carrier's service," and account

1200, "Improvements and replacements of operated plant leased from others," shall be determined by applying monthly to the amounts in each account or sub-account one-twelfth of the annual percentage rate, determined in accordance with § 35.04-2 as applicable thereto. Such amounts shall be recorded monthly in account 4910, "Depreciation," or in the clearing accounts, as appropriate, and corresponding credits shall be recorded in account 1515, "Allowance for depreciation—Wire-telegraph and ocean-cable plant." The amount remaining in account 1515, with respect to any class or subclass of operated plant for which a separate specific percentage rate is computed, shall at no time, be in excess of the depreciation-allowance requirement computed on the basis of the then applicable depreciation rate (see § 35.04-2) and the remaining life expectancy of such class or subclass of operated plant. (See also § 35.03-21.)

(b) When, under the terms of a lease, the carrier, as lessor, is required to replace or to restore the condition of operated plant the cost of which is includible in account 1100, "Operated plant leased to others," the current depreciation charges shall be recorded monthly in account 5010, "Income from operated plant leased to others," and corresponding credits shall be recorded in account 1515, "Allowance for depreciation—Wire-telegraph and ocean-cable plant." (See also § 35.30-3.)

(c) When, under the terms of a lease, the carrier, as lessee, is required to replace or to restore the condition of operated plant leased from others, depreciation charges with respect to such original leased plant shall be computed and applied as provided in § 35.1-5.

(d) Depreciation charges initially accounted for by the lessor shall be reported to and accounted for by the lessee as provided in paragraph (c) of § 35.30-3.

§ 35.04-4 *Extraordinary retirements.* The initial accounting for the retirement of operated plant for causes not contemplated in prior allowances for depreciation shall be as provided in § 35.1-6. If retirement losses are covered by commercial insurance, the amounts recovered therefrom shall be credited to account 1515, "Allowance for depreciation—Wire-telegraph and ocean-cable plant." If retirements occasion losses for which provision has been made in account 2215, "Provisions for self-carried insurance," the amounts of such losses shall be charged to that account and credited to account 1515 to the extent of the amounts so provided. To the extent that the loss is not covered by insurance the carrier may, upon approval by the Commission, credit account 1515 and charge account 1910, "Extraordinary maintenance, depreciation, and retirements," with the unprovided-for loss in service value, and distribute it from the latter account to account 4925, "Extraordinary plant losses," over such period as the Commission may approve or direct. The carrier's application to the Commission for permission to charge account 1910 shall give particulars



concerning the plant retired, the unprovided-for service loss, and the period over which, in the carrier's judgment, such charges should be distributed.

#### INSTRUCTIONS FOR CLASS B CARRIERS

§ 35.05-1 *Primary operating-revenue accounts for class B carriers.* Class B carriers shall keep all the operating-revenue accounts prescribed for class A carriers that are applicable to their affairs, except that they may keep the following accounts in lieu of the non-transmission revenue accounts:

3400 *Wire-telegraph nontransmission revenues.* This account shall include the carrier's portion of revenues from wire-telegraph operations other than transmission. It shall include all the operating revenues includible by class A carriers in accounts 3410 to 3499, inclusive.

3800 *Nontransmission revenue.* This account shall include the carrier's portion of revenue from communication operations other than transmission. It shall include all the operating revenue includible by class A carriers in accounts 3810 to 3899, inclusive.

§ 35.05-2 *Primary operating-expense accounts for class B carriers.* Class B carriers shall keep all operating-expense accounts prescribed for class A carriers that are applicable to their affairs, except that certain accounts may be combined as follows:

4210 *Compensation of conducting-operations employees.* This account shall include the amounts of compensation of employees engaged in conducting operations. It shall include all the amounts includible by class A carriers in accounts 4211 to 4219, inclusive.

4260 *Operating rents.* This account shall include the amounts of expenses incurred as rents for the use of operating property. It shall include all the amounts includible by class A carriers in accounts 4261 to 4269, inclusive.

4290 *Other conducting-operations expenses.* This account shall include the amounts of expenses incurred in conducting operations not provided for elsewhere. It shall include all the amounts includible by class A carriers in accounts 4221 to 4259, inclusive, and accounts 4271 to 4299, inclusive.

4300 *General expenses.* This account shall include the general expenses of the carrier. It shall include all the expenses includible by class A carriers in accounts 4311 to 4399, inclusive.

4400 *Administrative expenses.* This account shall include the administrative expenses of the carrier. It shall include all the expenses includible by class A carriers in accounts 4410 to 4499, inclusive.

#### REPORTING REQUIREMENTS

§ 35.06-1 *Provisions that require the specific approval of the Commission before the accounting is performed.* (a) Specific authority shall be obtained from the Commission before charges representing unprovided-for losses in service value are entered in account 1910, "Extraordinary maintenance, depreciation, and retirements." (See § 35.04-4.)

(b) The plan of accounting proposed to record the exchange of securities issued or assumed by the carrier shall be submitted to the Commission for consideration and approval prior to the recording of the journal entries applicable thereto. (See § 35.10-8.)

(c) The plan of accounting proposed to record (1) the issuance of no-par cap-

ital stock, (2) the appropriation of surplus for transfer to the no-par capital-stock account, (3) the reduction of capital surplus through the use of the no-par capital-stock account, or (4) the reduction of the amount in account 2410, "Capital stock issued," through the creation of surplus or the reduction of the book value of assets, shall be submitted to the Commission for consideration and approval prior to the recording of the journal entries applicable thereto. (See par. (c) of § 35.10-9.)

(d) Specific authority shall be obtained from the Commission if, in connection with the refinancing of an issue or series of bonds or other long-term debt, the carrier desires to amortize any of the discount, expense, or premium associated with the issuance or redemption of the prior issue over a period subsequent to the date of its redemption. (See par. (f) of § 35.10-14.)

(e) Specific authority shall be obtained from the Commission before the carrier disposes of amounts entered in account 1510, "Plant-acquisition adjustments." (See par. (d) of § 35.1510, par. (b) of § 35.1520, and §§ 35.4920 and 35.5255.)

(f) Specific authority shall be obtained from the Commission before charges are made to any account other than account 6120, "Extraordinary current income charges," to create a credit balance, as at the effective date of this system of accounts, in account 1520, "Allowance for amortization—Wire-telegraph and ocean-cable plant," equal to the expired service value of certain intangibles. (See par. (c) of § 35.1520.)

(g) Amounts included in account 1545, "Plant adjustments," shall not be disposed of except upon the specific approval or direction of the Commission. (See par. (b) of § 35.1545.)

(h) Carriers desiring to change the optional procedure adopted for recording foreign investments and foreign income shall submit notice thereof to the Commission for its consideration and approval at least 90 days before the proposed effective date of such change. (See pars. (d) of § 35.1599 and (d) of § 35.5089.)

(i) Specific authority shall be obtained from the Commission before charging any account other than account 6120, "Extraordinary current income charges," with amounts included in account 1935, "Preliminary survey and investigation charges," applicable to projects that have been abandoned when such costs are borne by the carrier. (See par. (a) of § 35.1935.)

(j) Specific authority shall be obtained from the Commission before using account 2220, "Provisions for equalization of maintenance expenses," and account 4180, "Maintenance-expense equalization." (See par. (a) of § 35.2220 and § 35.4180.)

(k) Specific authority shall be obtained from the Commission before transferring any amounts credited to account 2515, "Contributions of plant," to another account. (See par. (b) of § 35.2515.)

(l) The accounting with respect to the acquisition of duplicate and other plant from predecessors, which is intended to

be retired by the carrier in the reconstruction of the acquired plant or in its consolidation with the previously owned property, shall be submitted to the Commission for consideration and approval. (See par. (e) of § 35.1-2.)

(m) Specific authority shall be obtained from the Commission before there is included in construction cost any interest covering a period of more than 6 months from the date of suspension of construction work. (See par. (c) (8) of § 35.1-3.)

(n) Balances transferred to account 1999, "Other deferred charges," and account 2399, "Other deferred credits," after settlements with lessees upon the termination of leases shall not be disposed of except upon the specific approval of the Commission. (See par. (g) of § 35.1-5.)

(o) Amounts included in account 2225, "Provisions for depreciation and replacement of operated plant leased from others," and account 2230, "Leased operated plant retired," with respect to expired leases shall not be disposed of except upon the specific approval or direction of the Commission. (See par. (k) of § 35.1-6.)

(p) Each carrier that has adopted the accrual plan of accounting for pensions shall make no change in the accounting therefor or in the method of computing the amounts of the accruals without first submitting full particulars of the proposed changes and a detailed statement of the reasons therefor to the Commission for its consideration and approval. (See par. (d) of § 35.4327.)

(q) Accruals charged to account 4327, "Relief and pensions," to provide for the payment of termination allowances or similar benefits shall be made only after the approval by the Commission of the carrier's plan for administering such payments and of the amounts of the accruals therefor. (See par. (f) of § 35.4327.)

(r) Specific authority shall be obtained from the Commission before the carrier transfers any amounts charged to account 9011, "Research and development clearing account," that are applicable to projects that have been abandoned to any account other than account 6120, "Extraordinary current income charges," when such costs are borne by the carrier. (See par. (b) of § 35.9011.)

(s) Specific authority shall be obtained from the Commission before the elimination of or substitution for retirement units. (See par. (b) of § 35.1-6-1.)

§ 35.06-2 *Provisions that require certain special reports to be filed.* (a) A statement indicating the nature and purpose of subdivisions of the prescribed accounts, of experimental accounts, of temporary accounts, and of additional clearing accounts that have been opened in the books of account shall be filed with the Commission within 90 days of the effective date of this system of accounts. The carrier shall continue to keep the Commission informed of all the additional accounts or subaccounts of these types that are subsequently opened. (See par. (b) (3) of § 35.03-5.)

(b) Copies of the journal entries recorded to effect the transfers of balances



carried in the accounts previously maintained by the carrier, and a detailed statement of the method used in computing estimated cost, shall be submitted to the Commission within 90 days from the dates of the actual entries. (See § 35.03-6.)

(c) A statement showing the full particulars concerning any relatively large delayed item included in account 6210, "Delayed income credits," or account 6220, "Delayed income charges," shall be filed with the Commission not later than the date of filing its next annual report to the Commission. (See § 35.03-13.)

(d) A transcript of the capital-surplus accounts, together with a summary statement of the charges and credits, maintained prior to the effective date of this system of accounts shall be filed with the Commission within 90 days of the effective date of this system of accounts. (See par. (c) of § 35.10-10.)

(e) Carriers electing to use account 1599, "Foreign investment in communication plant," and account 5089, "Income from foreign operations," shall advise the Commission of that fact at least 60 days before the effective date of this system of accounts. (See pars. (d) of § 35.1599 and (d) of § 35.5089.)

(f) Not later than January 1, 1946, each carrier shall have submitted to the Commission the entries it proposes to make to carry out the reclassification of its plant in accordance with the accounts prescribed in this system of accounts. (See par. (f) of § 35.1-1.)

(g) Not later than January 1, 1946, each carrier shall have submitted to the Commission a comparative balance sheet showing, as at January 1, 1943, the amounts includible in the respective accounts prescribed in this system of accounts (1) before and (2) after effect has been given to the proposed entries relating to the reclassification of the plant. (See par. (f) of § 35.1-1.)

(h) Copies of the journal entries recording the acquisition of certain major properties shall be submitted to the Commission within 90 days from the dates of the actual entries. (See par. (h) of § 35.1-2.)

(i) Copies of the journal entries recording the completion of the prescribed accounting for plant acquisitions shall be submitted to the Commission within 90 days from the date that the clearing entries relating to each acquisition are made. Within 90 days from the date of any entry recording an acquisition, the carrier shall submit to the Commission a statement indicating the approximate date contemplated for the completion of the clearing entries relating thereto. (See particularly par. (h) of § 35.1-2 and par. (b) of § 35.91.)

(j) Not later than June 30, 1943, each carrier shall submit to the Commission for consideration and approval a complete plan for the establishment and maintenance of a continuous property record. (See par. (b) of § 35.1-8.)

(k) Before adopting the accrual plan of accounting for pensions the carrier shall inform the Commission of the details of its pension plan and related matters. (See par. (d) of § 35.4327.)

(l) A report shall be submitted to the Commission annually with respect to retirement units in accordance with the provisions of paragraph (d) of § 35.1-6-1.

#### BALANCE-SHEET ACCOUNTS

##### INSTRUCTIONS

§ 35.10-1 *Purpose of balance-sheet accounts.* The balance-sheet accounts are designed to show the financial position of the carrier as at a given date.

§ 35.10-2 *Current assets.* (a) Current assets are cash, those assets that are readily convertible into cash or are held for current use in operations or construction, current claims against others the settlement of which is reasonably assured, and amounts accruing to the carrier that are subject to current settlement, except that bonds and other obligations of others classified by the carrier in investment and fund accounts at the time of acquisition shall remain so classified until the date of payment, sale, or other disposition thereof.

(b) There shall not be included in the group of accounts designated as current assets any item the collectibility of which is not reasonably assured unless adequate allowance has been made therefor in account 1765, "Allowance for uncollectible receivables." Items of current character but of doubtful value may be reduced in amount and, for record purposes, carried in these accounts at nominal value. The amounts of such reductions, or the amounts provided by credits to account 1765, shall be charged to account 4935, "Uncollectible revenues," account 5299, "Other deductions from ordinary income," or account 6120, "Extraordinary current income charges," as appropriate.

§ 35.10-3 *Prepayments.* (a) Prepayments are amounts paid by the carrier for services to be rendered by others during a subsequent accounting period.

(b) When an advance payment is made, the appropriate prepayment account shall be charged with the amount of such payment. As the term expires for which the advance payment was made the prepayment account shall be credited (at monthly intervals) and the appropriate expense account or other account shall be charged with the proportionate amount applicable thereto.

§ 35.10-4 *Deferred charges.* Deferred charges are amounts representing (1) debit items held in suspense pending determination of their actual status, (2) costs of services that have been rendered to the carrier but are chargeable to future operations, and (3) items which for other reasons are allocable to other appropriate accounts for a future period or a succession of future periods.

§ 35.10-5 *Current liabilities.* (a) Current liabilities are those obligations that have become matured at the date of the balance sheet or that will become due within 1 year from the date thereof (except bonds, receivers' and trustees' securities, and similar obligations, which shall be classified as long-term debt until the date of maturity); accrued taxes, such as income taxes, which shall be

classified (in the balance sheet) as current liabilities even though payable more than 1 year from the balance-sheet date; and minor amounts payable in installments, which may be classified as current liabilities.

(b) The liability-accrual accounts shall include the amounts of interest, taxes, rents, and other items (other than unpaid wages) with respect to which amounts eventually payable have been recorded as deductions from revenue or income but which have not matured. (See also § 35.03-14.)

(c) Excepting amounts includible in account 2115, "Customers' deposits," or in account 2155, "Advance billings," (for which provision is made in section 4935, "Uncollectible revenues"); amounts that have been included in the several primary accounts for current liabilities (accounts 2101 to 2160, inclusive) or have been represented by outstanding checks or similar instruments for a period of 2 years or more because of inability to identify or locate the payee may (in the absence of statutory provision to the contrary) be written down, or reinstated in account 1710, "Cash," and credited to account 6110, "Extraordinary current income credits," provided that nominal amounts (one item representing each class of liability) shall thereafter be included in an appropriate subaccount of account 2199, "Other current liabilities." The entry recording the nominal amount, representative of a particular class of liability, as a credit to account 2199 shall contain a description of the records in which are entered the pertinent facts concerning all the items of that particular class that have been written off. Subsequent journal entries accomplishing further write-offs of, or cash reinstatements relating to, the same class of liability shall make reference to such original entry or to the records referred to therein.

§ 35.10-6 *Long-term debt.* (a) When evidences of debt that, according to their terms, do not mature until more than 1 year from date of issuance are issued or assumed by the carrier or by a receiver or an operating trustee of the carrier, the face amount of such evidences of debt shall be recorded in the appropriate account listed under the group caption "Long-term debt." (See also § 35.10-14.)

(b) If a liability, other than minor amounts payable in installments, is due more than 1 year from date of issuance or assumption by the carrier, it shall be credited to a long-term debt account appropriate for the transaction, but, for the purpose of classification in the balance sheet, a debt (except bonds, receivers' and trustees' securities, and similar obligations) shall be classified as a current liability if due within 1 year from the balance-sheet date.

§ 35.10-7 *Book cost of securities owned.* (a) Securities of others acquired by the carrier shall be recorded in these accounts at cost. Such cost shall not include any amount paid for dividends or for interest accrued.

(b) The carrier's records shall be so maintained as to show separately the



cost of (1) common stock, (2) preferred stock, and (3) long-term debt.

(c) The carrier's records shall be so maintained that in the reports to the Commission the securities, classified as in paragraph (b) of this section, that are pledged as collateral security for any of the carrier's or other persons' long-term debt or short-term loans or to secure the performance of contracts may be shown separately from the securities, similarly classified, that are unpledged.

(d) There shall not be included in the accounts designated as investment and fund accounts any amount the ultimate realization of which is not reasonably assured unless adequate allowance has been made therefor in account 1699, "Allowance for doubtful investments." The book cost of securities includible in such accounts shall be reduced to a nominal amount if there is no reasonable prospect of substantial value, but fluctuations in market value shall not be recorded in the accounts. Amounts by which these securities are thus reduced, or amounts provided by credits to account 1699, shall be charged to account 6120, "Extraordinary current income charges."

(e) When securities authorized by State laws for inclusion in legal-reserve funds required by such laws, and in other similar fiduciary funds requiring a qualification for the investment thereof, and with a fixed maturity date (other than securities issued or assumed by affiliates), are purchased at a discount (i. e., when the total cost including brokerage fees, taxes, commission, and similar costs is less than the face amount of the securities), such discount shall be amortized over the remaining life of the securities through periodic charges to account 1698, "Amortized discount and premium on investment securities," and credits to the account in which is recorded the interest from such securities.

(f) When any securities with a fixed maturity date are purchased at a premium (i. e., when the total cost including brokerage fees, taxes, commissions, and similar costs is in excess of the face amount of the securities), such premium shall be amortized over the remaining life of the securities through credits to account 1698 and charges to the account in which is recorded the interest from such securities.

(g) No amount shall be entered for amortization of discount or premium on securities with respect to which a reduction in book cost or a provision for doubtful value has been made. Any amounts in account 1698 representing the amortization of discount or premium on securities with respect to which a reduction in book cost or a provision for doubtful value is made shall be cleared by charges or credits, as appropriate, to the account in which is recorded the interest from such securities. (See particularly pars. (d), (e), and (f) of this section; also §§ 35.03-13 and 35.03-15.)

(h) If securities actually issued or assumed by the carrier and reacquired by it are not retired, they shall be entered at book amount in account 2015, "Bonds reacquired," or account 2415, "Capital

stock reacquired," as appropriate, unless it is required by contractual provision or by the decision of a trustee not subject to control by the carrier that they be retained in debt-redemption or other funds. When so retained they shall be regarded and treated as actually outstanding, but not otherwise.

(i) When entries are made in account 2415, "Capital stock reacquired," recording the reacquisition of capital stock, entries shall concurrently be made charging account 8315, "Earned surplus employed in reacquisition of capital stock," and crediting account 2615, "Reserve against impairment of stated capital," with amounts equal to the amount charged to account 2415. Upon the resale or retirement of such stock these latter entries shall be reversed.

§ 35.10-8 *Exchange of securities.* Before recording the journal entries that it is proposed to enter in the carrier's books to record the reacquisition of capital stock or other securities issued or assumed by the carrier under a plan for the issuance in exchange therefor of other securities of the carrier, a statement indicating the plan of accounting proposed by the carrier shall be submitted to the Commission for consideration and approval. Such statement shall give complete information concerning the plan of exchange, the basis upon which the amounts have been determined, and a copy of the authorization issued by the regulatory body approving the plan.

§ 35.10-9 *Capital stock.* (a) All transactions relating to the capital stock of the accounting carrier shall be recorded by class of stock. Stocks are of the same class only when they are issued under identical terms as to all of the following: par value, stated value, preferences in the distribution of dividends and assets, voting rights, and conditions under which the stock may be retired. If the capital stock of the carrier is of two or more classes, the carrier's records shall be so maintained as to distinguish the amount applicable to each class in each of the following accounts:

- 1775 Subscriptions to capital stock.
- 1780 Deposits on subscriptions to capital stock.
- 1915 Capital-stock expense.
- 1925 Discount on capital stock.
- 2160 Liability on installment-plan sales of capital stock.
- 2410 Capital stock issued.
- 2415 Capital stock reacquired.
- 2420 Capital stock subscribed—Unissued.
- 2425 Obligations for stock conversion.
- 2510 Premiums and assessments on capital stock.

(b) When, by compliance with the laws of the State under which it is incorporated, a carrier is authorized to issue shares of capital stock, a memorandum entry in account 2410, "Capital stock issued," shall be made showing the number of shares, the par or the stated value of each share, and the total authorized capitalization.

(c) Before recording the journal entries that it is proposed to enter in the carrier's books to record (1) the issuance of no-par capital stock, (2) the appropriation of surplus for transfer to the no-par capital-stock account, (3) the re-

duction of capital surplus through the use of the no-par capital-stock account, or (4) the reduction of the amount in account 2410, "Capital stock issued," through the creation of surplus or the reduction of the book value of assets, the plan of accounting shall be submitted to the Commission for consideration and approval. Such plan shall be accompanied by a statement giving complete information with respect to the basis upon which the amounts to be recorded have been determined and a copy of the authorization issued by the regulatory body approving the issuance of no-par stock or the change in the capital-stock and surplus accounts.

(d) When capital stock which has been actually issued by the carrier is reacquired, the difference between (1) the amount paid therefor upon reacquisition and (2) the book amount plus the premium or less the discount and expense originally entered in respect thereto and not charged off shall be charged or credited, as appropriate, to account 2599, "Other capital surplus"; provided, however, that such charges shall be made to account 8299, "Miscellaneous charges to earned surplus," to the extent that the amounts thereof exceed the balance in account 2599 applicable to capital stock of the same class.

(e) The carrier's records shall be so maintained that in reports to the Commission there may be shown the extent to which the surplus accounts have been charged or credited in instances in which there is a possibility of further entry in those accounts in the event of the resale of reacquired capital stock.

(f) When capital stock that has been reacquired by the carrier is resold, the difference between (1) the amount derived from the resale, less the costs incidental thereto, and (2) the book amount of such stock shall be charged or credited, as appropriate, to account 2599, "Other capital surplus"; provided, however, that such charges shall be made to account 8299, "Miscellaneous charges to earned surplus," to the extent that the amounts thereof exceed the balance in account 2599 applicable to capital stock of the same class; and provided further, that if account 8299 has been charged with amounts arising from the reacquisition of such stock, there shall be included in account 8199 "Miscellaneous credits to earned surplus," the credit balance (not in excess of the amount previously charged to account 8299 with respect to reacquisition of stock of the same class) arising from the resale of such stock.

§ 35.10-10 *Surplus.* (a) The accounts designated as capital-surplus accounts are designed to show (1) paid-in surplus (i. e., proprietary contributions in excess of the stated capital included in the capital-stock accounts), (2) donated surplus (including (i) surplus created by donations of stock or assets by proprietary interests and (ii) contributions of assets or forgiveness of debt by others), (3) surplus arising from reacquisition or resale of, or otherwise trading in, the carrier's own capital stock, and (4) surplus arising from the reduction of the stated value of capital



stock due to such occasions as retirement, reorganization, or recapitalization.

(b) The balance-sheet accounts designated as earned-surplus accounts are designed to show the accumulated undistributed surplus derived from the normal operations of the carrier and from all sources (including sales of fixed assets) other than those sources referred to in paragraph (a) of this section.

(c) Within 90 days from the effective date of this system of accounts the carrier shall submit to the Commission a transcript of its capital-surplus account or accounts covering the entire period to the effective date of this system of accounts showing in detail the nature and amounts of charges and credits, respectively, and the balance that was or, if it had always been maintained, would have been in the account at the close of each year. The transcript shall be accompanied by a summary statement in which the charges and credits for the entire period covered by the transcript have been classified according to their nature and summarized to show the aggregate amount of each such classification as well as the aggregate amount of charges and credits, respectively, for the period and the resulting balance in the account or accounts at the effective date of this system of accounts.

§ 35.10-11 *Provisions for future settlements.* When in anticipation of settlements or similar transactions it is required that certain amounts shall be charged to operating expenses or other accounts without a corresponding reduction in the assets of the carrier, such amounts shall be credited to the appropriate account listed under the group caption "Provisions for future settlements." The credit balances in these accounts should indicate the estimated amounts of future settlements or other extinguishments subsequent to the date of the balance sheet with respect to amounts allocable to periods prior to that date.

§ 35.10-12 *Deferred credits.* Deferred credits are amounts representing (1) credit items held in suspense pending determination of their actual status and (2) obligations (e. g., unamortized premium on debt) that have been incurred but are applicable to future operations or income.

§ 35.10-13 *Discount, expense, and premium on capital stock.* (a) An account shall be maintained for each class of capital stock issued by the carrier (separately from the capital-stock accounts) and there shall be included in each such account both the discount and the premium associated with the issuance and sale of (exclusive of the sale of reacquired stock), or the subscription to, each such class of stock.

(b) Stock expense shall not be added to discount, or deducted from premium, on capital stock, but shall be included in account 1915, "Capital-stock expense." Such expense may be charged off to account 6120, "Extraordinary current income charges," in total or in installments, or the amount thereof may be retained in account 1915 until the stock

to which the expense applies is reacquired.

(c) Only in stating the balance sheet, the total of the debit balances remaining in the discount and premium accounts shall be reported under account 1925, "Discount on capital stock," and the total of the credit balances shall be reported under account 2510, "Premiums and assessments on capital stock." Accounts with debit balances shall not be offset by accounts with credit balances.

(d) General levies or assessments against stockholders shall be credited to the discount and premium account for the particular class of stock assessed.

(e) Discount or premium on capital stock issued shall be retained in the discount and premium account until the stock is reacquired unless other disposition of such discount or premium is required by statutes to which the carrier is subject, except that inconsequential amounts of discount that would not appreciably affect the accounts may be charged off to account 8299, "Miscellaneous charges to earned surplus."

§ 35.10-14 *Discount, expense, and premium on long-term debt.* (a) An account shall be maintained for each issue or series of long-term debt issued or assumed by the carrier (separately from the long-term debt accounts) and there shall be included in each such account both the discount and the premium associated with the issuance and sale of (exclusive of the sale of reacquired long-term debt), or the subscription to, each such issue or series of debt.

(b) Debt expense shall not be added to discount, or deducted from premium, on long-term debt, but shall be included in account 1920, "Long-term debt expense."

(c) Only in stating the balance sheet, the total of the debit balances remaining in the discount and premium accounts shall be reported under account 1930, "Unamortized discount on debt," and the total of the credit balances remaining in those accounts shall be reported under account 2310, "Unamortized premium on debt." Accounts with debit balances shall not be offset by accounts with credit balances.

(d) Discount, expense, and premium with respect to each issue or series of long-term debt shall be amortized under such a plan as will equitably distribute the amounts over the life of the securities. The amortization shall be on a monthly basis and the amounts thereof shall be charged to account 5220, "Amortization of debt discount," or account 5245, "Amortization of debt expense," or credited to account 5230, "Amortization of debt premium—Cr.," as appropriate. The carrier may, however, accelerate the writing off of debt expense and extinguish inconsequential amounts of discount (that it would be burdensome to amortize and that would not appreciably affect the accounts) by charges to account 6120, "Extraordinary current income charges." Where there is a definite plan to retire an issue without refunding prior to its maturity date, amortization may be accelerated to extinguish the balance in the discount and premium ac-

count at the date of contemplated retirement.

(e) When any long-term debt is reacquired without being converted into another form of long-term debt and when the transaction is not in connection with a refunding operation, the difference between the amount paid upon reacquisition and the book amount plus the unamortized premium or less the unamortized discount, as the case may be, applicable to the debt reacquired, shall be charged to account 6120, "Extraordinary current income charges," or credited to account 6110, "Extraordinary current income credits," as appropriate.

(f) When the redemption of one issue or series of bonds or other long-term obligations is financed by another issue or series before the date of maturity of the prior issue, any unamortized discount, expense, or premium on the prior issue and any premium paid or discount enjoyed upon reacquisition shall be debited or credited, as appropriate, to account 6120, "Extraordinary current income charges," or account 6110, "Extraordinary current income credits," provided, however, that if the carrier desires to amortize any of the discount, expense, or premium associated with the issuance or redemption of the prior issue over a period subsequent to the date of redemption, the permission of the Commission must be obtained.

(g) Discount, expense, or premium on long-term debt shall not be included in the cost of constructing or acquiring plant, except as provided in paragraph (c) (8) of § 35.1-3.

(h) The carrier's records shall be so maintained that in the reports to the Commission there may be shown the extent to which the income accounts have been charged or credited in instances in which there is a possibility of further entry in those accounts in the event of the resale of reacquired long-term debt.

§ 35.10-15 *Irrevocable trusts.* Funds relinquished from the control of the carrier that are irrevocably devoted to the establishment or continuation of any trust or fiduciary fund (such as pension or similar funds) shall not be included as items in the balance sheet, but their existence shall be indicated by an appropriate notation thereon showing the amount of such funds.

§ 35.10-16 *Contingent assets and liabilities.* In the carrier's reports to the Commission amounts representing contingent assets and contingent liabilities shall not be included as items in the balance sheet, but their existence shall be indicated by an appropriate notation thereon and the particulars shall be shown in detail in a supplementary statement.

§ 35.10-17 *Nominally issued securities.* (a) Each carrier shall maintain, in addition to the capital-stock and long-term debt account prescribed herein, memorandum accounts for securities that have been nominally but not actually issued.

(b) When no-par stock is nominally issued, the number of shares issued



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shall be shown in the memorandum accounts.

(c) A separate memorandum account, with appropriate title, shall be maintained for each class and issue or series of such securities.

§ 35.10-99 *Contemplated form of balance sheet.* (See § 35.03-9.)

BALANCE SHEET	
ASSET SIDE	
Communication Plant	
Account No.	Particulars
1540	Plant in process of reclassification.....
1545	Plant adjustments.....
1000	Operated plant in carrier's service.....
1100	Operated plant leased to others.....
1200	Improvements and replacements of operated plant leased from others.....
1300	Plant under construction.....
1400	Plant held for future communication use.....
1510	Plant-acquisition adjustments.....
Less:	
1515	Allowance for depreciation—Wire-telegraph and ocean-cable plant.....
1520	Allowance for amortization—Wire-telegraph and ocean-cable plant.....
1530	Telephone and radiotelegraph plant.....
Less:	
1535	Allowance for depreciation and amortization—Telephone and radiotelegraph plant.....
1590	Foreign investment in communication plant.....
Total.....	
Investments and Funds	
1610	Miscellaneous physical property.....
Less:	
1615	Allowance for depreciation—Miscellaneous physical property.....
1620	Investments in affiliates.....
1629	Other investments.....
1630	Debt-redemption funds.....
1635	Employees' provident funds.....
1640	Insurance funds.....
1645	Miscellaneous funds held by trustees.....
1659	Other miscellaneous funds.....
Total.....	
1698	Amortized discount and premium on investment securities.....
Less:	
1699	Allowance for doubtful investments.....
Total.....	
Current Assets	
1710	Cash.....
1715	Special cash deposits.....
1720	Working cash advances.....
1725	Temporary investments.....
1730	Receivables from customers.....
1742	Traffic settlements receivable from affiliates.....
1749	Other receivables from affiliates.....
(Receivables From Nonaffiliates)	
1751	Notes receivable.....
1752	Traffic settlements receivable.....
1753	Matured interest receivable.....
1754	Declared dividends receivable.....
1755	Matured rents receivable.....
1759	Other accounts receivable.....
Less:	
1765	Allowance for uncollectible receivables.....
1770	Unmatured accrued receivables.....
1775	Subscriptions to capital stock.....

BALANCE SHEET—Continued	
ASSET SIDE—continued	
Current Assets—Continued	
(Receivables From Nonaffiliates)	
Account No.	Particulars
1780	Less: Deposits on subscriptions to capital stock.....
1785	Subscriptions to bonds.....
Less:	
1790	Deposits on subscriptions to bonds.....
1795	Material and supplies.....
1799	Other current assets.....
Total.....	
Prepayments	
1810	Prepaid insurance.....
1815	Prepaid rents.....
1820	Prepaid taxes.....
1899	Other prepayments.....
Total.....	
Deferred Charges	
1910	Extraordinary maintenance, depreciation, and retirements.....
1915	Capital-stock expense.....
1920	Long-term debt expense.....
1925	Discount on capital stock.....
1930	Unamortized discount on debt.....
1935	Preliminary survey and investigation charges.....
1940	Debit balances in clearing accounts.....
1999	Other deferred charges.....
Total.....	
Total—Asset side.....	
LIABILITY SIDE	
Long-Term Debt	
2010	Bonds actually issued.....
Less:	
2015	Bonds reacquired.....
2020	Bonds subscribed—Unissued.....
2025	Receivers' and trustees' securities.....
2030	Advances from affiliates.....
2099	Other long-term debt.....
Total.....	
Current Liabilities	
2101	Unpaid wages.....
2111	Liability for tax collections.....
2113	Unpaid money-orders.....
2115	Customers' deposits.....
2120	Matured long-term debt.....
2122	Traffic settlements payable to affiliates.....
2129	Other payables to affiliates.....
(Payables to Nonaffiliates)	
2131	Notes payable.....
2132	Traffic settlements payable.....
2133	Matured interest payable.....
2134	Dividends payable.....
2135	Matured rents payable.....
2139	Other accounts payable.....
2155	Advance billings.....
2160	Liability on installment-plan sales of capital stock.....
(Liability Accruals)	
2164	Dividends declared.....
2165	Interest accruals.....
2170	Rent accruals.....
2175	Tax accruals.....
2180	Other liability accruals.....
2199	Other current liabilities.....
Total.....	
Provisions for Future Settlements	
2210	Provisions for employees' pensions and welfare.....
2215	Provisions for self-carried insurance.....
2220	Provisions for equalization of maintenance expenses.....
2225	Provisions for depreciation and replacement of operated plant leased from others.....
2230	Leased operated plant retired.....

BALANCE SHEET—Continued	
LIABILITY SIDE—continued	
Provisions for Future Settlements—Continued	
Account No.	Particulars
2299	Other provisions for future settlements.....
Total.....	
Deferred Credits	
2310	Unamortized premium on debt.....
2315	Advances for construction.....
2320	Credit balances in clearing accounts.....
2399	Other deferred credits.....
Total.....	
Capital Stock	
2410	Capital stock issued.....
Less:	
2415	Capital stock reacquired.....
2420	Capital stock subscribed—Unissued.....
2425	Obligations for stock conversion.....
Total.....	
Capital Surplus	
2510	Premiums and assessments on capital stock.....
2515	Contributions of plant.....
2599	Other capital surplus.....
Total.....	
Earned Surplus	
Appropriated:	
2610	Contractual reserves.....
2615	Reserve against impairment of stated capital.....
2620	Miscellaneous reserves.....
Unappropriated:	
2699	Unappropriated earned surplus.....
Total.....	
Total—Liability side.....	

## PRESCRIBED ACCOUNTS

NOTE: Number to the right of the decimal point is the account number.

## Communication Plant

§ 35.1000 *Operated plant in carrier's service.* This account shall include the total of the balances in the operated plant accounts applicable to plant owned and used by the carrier in its wire-telegraph and ocean-cable operations, except such plant the cost of which is includible in account 1200, "Improvements and replacements of operated plant leased from others."

§ 35.1100 *Operated plant leased to others.* This account shall include the total of the balances in the operated plant accounts applicable to plant owned by the carrier and leased to others as substantially complete operating systems or operating units where the lessee has exclusive possession.

NOTE: When the lessor is given or retains the exclusive privileges to maintain, inspect, and service equipment, to handle and adjust traffic accounts, to perform other similar services, or to designate who may perform such services for the lessee, the lessee will be deemed not to have exclusive possession of the plant, and its cost shall be included in account 1000, "Operated plant in carrier's service."

§ 35.1200 *Improvements and replacements of operated plant leased from others.* This account shall include the total of the balances in the operated plant accounts applicable to improve-



ments and replacements of operated plant leased from others.

**§ 35.1300 Plant under construction.** (a) This account shall include the cost of construction of plant not completed ready for service. (See also §§ 35.1-2 and 35.1-3.)

(b) When any plant the cost of which is included in this account is completed ready for service, the cost thereof shall be credited to this account and charged to the operated plant accounts, account 1400, "Plant held for future communication use," or other accounts, as appropriate.

**§ 35.1400 Plant held for future communication use.** (a) This account shall include the cost of completed plant owned by the carrier and held for future use in communication service under a definite plan.

(b) The amounts included in this account shall be classified in accordance with the titles and texts of the appropriate plant accounts and the account shall be maintained in the same manner and detail as though the plant were in communication service.

**§ 35.1510 Plant - acquisition adjustments.** (a) This account shall include the difference between (1) the acquisition cost of plant acquired from predecessors as substantially complete operating systems or operating units and (2) the original cost of such plant less the required allowances for depreciation and amortization of the plant at the date of acquisition. (See particularly pars. (c), (d), (e), and (f) of § 35.1-2.)

(b) This account shall be subdivided according to the character of the amounts included herein for each plant acquisition; and further subdivided to show the amounts applicable to operated plant in carrier's service, operated plant leased to others, and plant held for future communication use.

(c) If the actual original cost is not known, the entries in this account shall be based upon an estimate of such cost.

(d) The amounts recorded in this account shall be disposed of in such manner as the Commission may approve or direct.

**NOTE:** The provisions of this account shall not be construed as approving or authorizing the recording of appreciation of plant.

**§ 35.1515 Allowance for depreciation—Wire-telegraph and ocean-cable plant.** (a) This account shall be credited with amounts charged to account 4910, "Depreciation," to account 5010, "Income from operated plant leased to others," to account 5299, "Other deductions from ordinary income," and to clearing accounts for currently accruing depreciation of wire-telegraph and ocean-cable plant owned by the carrier; also with amounts of depreciation applicable to plant contributed to the carrier and to plant acquired from predecessors, as provided in § 35.1-2 and in paragraph (g) of § 35.1-5. (See also §§ 35.04-1, 35.04-2, 35.04-3, 35.04-4, and 35.30-3.)

(b) As at the effective date of this system of accounts, this account shall be credited with such amount as is necessary to create a credit balance herein

equal to the estimated sustained depreciation of all depreciable operated plant owned by the carrier at that date. The difference between such amount and the amount previously provided as a depreciation allowance (or reserve) shall, unless otherwise authorized by the Commission, be charged to account 6120, "Extraordinary current income charges."

(c) This account shall be charged with the cost of depreciable plant retired and with the cost of removal of such plant and shall be credited with the net amounts of recoveries, such as from salvage and from insurance. (See § 35.1-6 and pars. (c) and (d) of § 35.41-7.)

(d) Each carrier shall maintain records in which the balance in the account shall be segregated into component parts corresponding to the operated plant accounts and subdivisions thereof which include the cost of depreciable operated plant. (See particularly par. (e) of § 35.1-1.)

(e) This account shall be subdivided as follows:

- 1515:01 Allowance for depreciation of operated plant owned and used in carrier's service.
- 1515:02 Allowance for depreciation of improvements and replacements of operated plant leased from others.
- 1515:03 Allowance for depreciation of operated plant leased to others.
- 1515:04 Allowance for depreciation of plant held for future communication use.
- 1515:05 Allowance for depreciation of messenger uniforms.

(f) The records supporting the entries in each subaccount in this account shall be so maintained that there may be shown separately (1) the amounts of depreciation credited hereto in accordance with the provisions of paragraphs (a) and (b) hereof, (2) the cost of plant retired, (3) the cost of removal of plant retired, and (4) the credits from salvage and insurance recovered.

**NOTE:** When plant is transferred from one class of communication service to another or from communication service to noncarrier operations, the accounting for the depreciation applicable thereto shall be as provided in § 35.1-7.

**§ 35.1520 Allowance for amortization—Wire-telegraph and ocean-cable plant.** (a) This account shall be credited with amounts charged to account 4915, "Amortization—Intangible operated plant," to account 5010, "Income from operated plant leased to others," and to account 5299, "Other deductions from ordinary income," to provide for the extinguishment of amounts included in accounts 82, "Franchises," 83, "Patent rights," 84, "Leaseholds," 85, "Research and development," and 89, "Other intangibles"; also with amounts of amortization applicable to plant contributed to the carrier and to plant acquired from predecessors, as provided in § 35.1-2 and in paragraph (g) of § 35.1-5. (See also § 35.30-3.) It shall be credited with amounts charged to account 6120, "Extraordinary current income charges," to provide for the extinguishment of amounts included in account 81, "Organization."

(b) This account shall be credited or charged, as appropriate, with amounts authorized or directed by the Commission to be charged or credited to accounts 4920, "Amortization of plant-acquisition adjustments," and 5255, "Amortization of plant-acquisition adjustments," to provide for the extinguishment of amounts included in account 1510, "Plant-acquisition adjustments."

(c) As at the effective date of this system of accounts, this account shall be credited with such amount as is necessary to create a credit balance herein equal to the expired service value of intangibles (having a terminable life) the costs of which are includible in accounts 82, "Franchises," 83, "Patent rights," 84, "Leaseholds," 85, "Research and development," and 89, "Other intangibles." The difference between such amount and the amounts previously provided as an amortization allowance (or reserve) shall, unless otherwise authorized by the Commission, be charged to account 6120, "Extraordinary current income charges."

(d) When any franchise, patent right, leasehold, or other intangible item (except one the cost of which is includible in account 85, "Research and development") expires or is sold, relinquished, or otherwise retired from service, the cost thereof shall be credited to the appropriate plant account and this account shall be charged with the amount previously credited hereto with respect to such intangible item. The difference between the foregoing amounts less the proceeds realized at retirement shall be charged to account 6120, "Extraordinary current income charges," or credited to account 6110, "Extraordinary current income credits," as appropriate. The accounting for amounts included herein with respect to plant costs included in account 85 shall be as provided in the text of that account.

(e) The records supporting the entries in this account shall be so maintained as to show the amounts applicable to each intangible item under the following subdivisions:

- 1520:01 Allowance for amortization of intangibles in carrier's service.
- 1520:02 Allowance for amortization of intangibles leased to others.
- 1520:03 Allowance for amortization of plant-acquisition adjustments.
- 1520:04 Allowance for amortization of intangibles held for future communication use.

**§ 35.1530 Telephone and radiotelegraph plant.** This account shall include the amounts of the balances in the plant accounts maintained for telephone and radiotelegraph plant in conformity with the provisions of paragraphs (a) and (b) of § 35.03-8.

**§ 35.1535 Allowance for depreciation and amortization—Telephone and radiotelegraph plant.** This account shall include the amounts of the balances in the allowance accounts maintained for telephone and radiotelegraph plant in conformity with the provisions of paragraphs (a) and (b) of § 35.03-8.

**§ 35.1540 Plant in process of reclassification.** (a) This account shall be charged temporarily with the book cost of



plant (formerly called "Plant and equipment") as at December 31, 1942. The detail or primary accounts prescribed in the Uniform System of Accounts for Telegraph and Cable Companies effective on January 1, 1914, with respect to "Plant and equipment," shall be continued in support of this account pending the reclassification prescribed in this system of accounts, but shall not be used for acquisitions (including additions, replacements, and other new construction) subsequent to December 31, 1942.

(b) Retirements of property included herein as at the effective date of this system of accounts shall be credited to this account and to the supporting primary accounts mentioned above until the reclassification has been accomplished.

(c) When the cost (as defined in this system of accounts) of plant included in this account has been determined, this account shall be credited with the book cost thereof. (See particularly accounts 1000 to 1535, inclusive; also §§ 35.1-1 and 35.11 to 35.92, inclusive.)

§ 35.1545 *Plant adjustments.* (a) This account shall include the difference between the original cost, estimated if not known, and the book cost of "Plant and equipment" as at the effective date of this system of accounts to the extent that such difference is not properly includible in account 1510, "Plant-acquisition adjustments." Write-ups of property prior to the effective date of this system of accounts shall be recorded herein.

(b) The amounts included in this account shall be so classified as to show the nature of each amount (included herein) and shall be disposed of as the Commission may approve or direct.

NOTE: The provisions of this account shall not be construed as approving or authorizing the recording of appreciation of plant.

§ 35.1599 *Foreign investment in communication plant.* (a) This account may include the net amount of the acquisition cost of the carrier's communication plant that is located in foreign countries and the related allowances for depreciation and amortization when the detailed amounts are required to be stated in terms of foreign currency or in a manner at variance with the requirements of this system of accounts.

(b) A separate subaccount with appropriate title shall be maintained for the plant located in each foreign country.

(c) The records supporting the entries in this account shall be so maintained that, in reports to the Commission, there may be shown the rates of exchange used in translating the amounts into terms of United States currency.

(d) Each carrier that elects to use this account shall advise the Commission of that fact at least 60 days before the effective date of this system of accounts. Changes from this elective procedure to the alternative procedure prescribed for domestic plant, or vice versa, shall not be made thereafter without submitting to the Commission for its consideration and approval notice of the proposed change at least 90 days before the proposed effective date of such change.

### Investments and Funds

§ 35.1610 *Miscellaneous physical property.* This account shall include the carrier's investment in physical property other than that used in communication service, except property the cost of which is includible in account 1400, "Plant held for future communication use." It shall include the amount of all assessments for the construction of public improvements levied against miscellaneous physical property. (See also § 35.1-7.)

§ 35.1615 *Allowance for depreciation—Miscellaneous physical property.* (a) This account shall be credited with amounts charged to account 5110, "Income from miscellaneous physical property," for the depreciation of depreciable property the cost of which is includible in account 1610, "Miscellaneous physical property."

(b) When miscellaneous physical property is disposed of, this account shall be charged with the amount previously credited hereto with respect to such property. The difference between the book cost of the property retired and the sum of the amount chargeable to this account and the amount of the salvage recovered (or the proceeds from the sale of the property) shall be charged to account 6120, "Extraordinary current income charges," or credited to account 6110, "Extraordinary current income credits," as appropriate. (See also § 35.1-7.)

§ 35.1620 *Investments in affiliates.* (a) This account shall include the book cost of the carrier's investment in securities issued or assumed by affiliates, other than securities of affiliates held in special funds or as temporary investments. It shall include the amount of investment advances to affiliates.

(b) The records supporting the entries in this account shall be so maintained as to show each class of investment in each affiliate under the following subdivisions:

- 1620:01 Investments in securities of affiliates.
- 1620:02 Investment advances to affiliates.

NOTE A: The book cost of securities of affiliates owned by the carrier and held in special funds or as temporary investments shall be included in account 1630, "Debt-redemption funds," account 1635, "Employees' provident funds," account 1640, "Insurance funds," account 1645, "Miscellaneous funds held by trustees," account 1659, "Other miscellaneous funds," or account 1725, "Temporary investments," as appropriate.

NOTE B: Advance to affiliates that are subject to current settlement shall be included in account 1749, "Other receivables from affiliates."

§ 35.1629 *Other investments.* (a) This account shall include the book cost of the carrier's investment in securities issued or assumed by nonaffiliates, other than such securities held in special funds or as temporary investments. It shall include the amount of investment advances to nonaffiliates and other investments not provided for elsewhere.

(b) The records supporting the entries in this account shall be so maintained as to show each class of investment

includible herein under the following subdivisions:

- 1629:01 Securities.
- 1629:02 Investment advances.
- 1629:99 Other.

NOTE A: The book cost of securities of nonaffiliates owned by the carrier and held in special funds or as temporary investments shall be included in account 1630, "Debt-redemption funds," account 1635, "Employees' provident funds," account 1640, "Insurance funds," account 1645, "Miscellaneous funds held by trustees," account 1659, "Other miscellaneous funds," or account 1725, "Temporary investments," as appropriate.

NOTE B: Advances to nonaffiliates that are subject to current settlement shall be included in account 1759, "Other accounts receivable."

§ 35.1630 *Debt-redemption funds.* (a) This account shall include the book cost of assets that have been segregated in special funds for the purpose of redeeming outstanding long-term debt of the carrier.

(b) A separate subaccount, with appropriate title, shall be maintained for each issue or series of long-term debt for the redemption of which a special fund is maintained.

NOTE: Nothing contained herein shall be construed as preventing the carrier from transferring applicable debt-redemption funds to account 1715, "Special cash deposits," for the purpose of paying matured long-term debt, or obligations called for redemption but not presented, or the interest thereon.

§ 35.1635 *Employees' provident funds.* This account shall include the amount of cash, the book cost of securities of others, and the book amount of nominally issued and nominally outstanding securities issued or assumed by the carrier and other assets held by trustees or managers of employees' pension funds, savings funds, and relief, hospital, and other association funds (whether contributed by the carrier, by employees, or by others), when such trustees or managers are acting for the carrier in the administration of such funds. (See also §§ 35.10-15 and 35.30-2.)

§ 35.1640 *Insurance funds.* (a) This account shall include the book cost of assets that have been segregated in special funds in connection with those losses contemplated under the carrier's plan for self-carried insurance.

(b) A separate subaccount, with appropriate title, shall be maintained for each class of funds.

§ 35.1645 *Miscellaneous funds held by trustees.* This account shall include the amount of cash and the cost of other assets deposited with trustees to be held until mortgaged property sold, destroyed, or otherwise disposed of is replaced; also the amount of cash realized from the sale of the carrier's securities and deposited with trustees to be held until invested in property for the carrier. When the purposes of such deposits are satisfied and the deposits are released, this account shall be credited with the amounts released.

§ 35.1659 *Other miscellaneous funds.* (a) This account shall include the book cost of assets that have been segregated



in special funds for specific purposes not provided for elsewhere.

(b) A separate subaccount, with appropriate title, shall be maintained for each class of funds.

§ 35.1698 *Amortized discount and premium on investment securities.* (a) This account shall include the amount of amortized discount and premium charged or credited as interest from securities held as long-term investments, as provided in § 35.10-7.

(b) A separate subaccount, with appropriate title, shall be maintained for each issue or series of securities with respect to which amounts are entered herein, with an appropriate reference to the account in which the cost of the securities is recorded.

§ 35.1699 *Allowance for doubtful investments.* (a) This account shall be credited with amounts charged to account 6120, "Extraordinary current income charges," to provide for the doubtful value of investments.

(b) When securities are sold or otherwise disposed of, or their book cost is reduced to a nominal value, this account shall be charged with any amounts covered by credits hereto with respect to such securities.

#### Current Assets

§ 35.1710 *Cash.* This account shall include the amount of current funds available for use on demand or otherwise subject to disbursement on behalf of the carrier by its officers, agents, or employees, including those funds in the hands of financial officers and agents, deposited in banks or with trust companies, and in transit.

§ 35.1715 *Special cash deposits.* (a) This account shall include the amount of cash in special deposits, other than in debt-redemption and other funds, for the payment of interest, dividends, and other debts when such payments are due 1 year or less from the date of deposit; also the amount of cash deposited to insure the performance of contracts to be performed within 1 year from the date of deposit, and other cash deposits for specific purposes not provided for elsewhere. When the purposes of such deposits are satisfied and the deposits are released, this account shall be credited with the amounts released.

(b) This account shall be subdivided as follows:

- 1715:01 Special deposits—Interest.
- 1715:02 Special deposits—Dividends.
- 1715:99 Special deposits—Other.

§ 35.1720 *Working cash advances.* This account shall include the amounts of cash advanced to officers, agents, and employees, particularly cash or working funds from which certain expenditures are to be made and accounted for.

§ 35.1725 *Temporary investments.* (a) This account shall include the book cost of securities acquired for the purpose of temporarily investing cash, such as demand and time loans, bankers' acceptances, United States Treasury certificates, and other similar investments.

(b) This account shall be subdivided as follows:

- 1725:01 Temporary investments—Affiliates.
- 1725:99 Temporary investments—Other.

§ 35.1730 *Receivables from customers.* (a) This account shall include amounts receivable from customers for services.

(b) The records supporting the entries in this account shall be so maintained as to show separately (1) amounts charged for services rendered, and (2) amounts charged for services to be rendered. (See also § 35.2155.)

NOTE A: Amounts representing revenues accrued but not due shall be included in account 1770, "Unmatured accrued receivables."

NOTE B: Amounts receivable from other carriers for participation in transmission shall be included in the accounts maintained in accordance with § 35.03-19.

NOTE C: Amounts due on notes accepted in settlement of customers' accounts shall be included in account 1751, "Notes receivable."

§ 35.1742 *Traffic settlements receivable from affiliates.* This account shall include the total of the amounts receivable from affiliated carriers against each of which there is a net debit balance in the accounts maintained for traffic settlements. (See § 35.03-19.)

§ 35.1749 *Other receivables from affiliates.* (a) This account shall include amounts receivable from affiliates not provided for elsewhere. (See particularly §§ 35.1725, 35.1730, 35.1742, 35.1770, 35.1775, and 35.1785.)

(b) This account shall be subdivided as follows:

- 1749:01 Matured interest receivable.
- 1749:02 Declared dividends receivable.
- 1749:03 Matured rents receivable.
- 1749:04 Current notes receivable. (See also § 35.1620.)
- 1749:99 Other accounts receivable.

(c) In stating the balance sheet there may be included in this account the net amounts receivable from affiliates against each of which there is a net debit balance between amounts in this account and amounts in account 2129, "Other payables to affiliates."

#### (Receivables From Nonaffiliates)

§ 35.1751 *Notes receivable.* (a) This account shall include amounts receivable from persons other than affiliates on notes, drafts, acceptances, and other evidences of indebtedness, payable on demand or not more than 1 year from the date of issuance. (See also § 35.1629.)

(b) The book amount of items includible herein that are discounted or sold without releasing the carrier from liability thereon, shall be credited to this account and reported as a contingent liability. (See particularly § 35.10-16.)

(c) This account shall be subdivided as follows:

- 1751:01 Receivable from officers and employees.
- 1751:99 Receivable from others.

§ 35.1752 *Traffic settlements receivable.* This account shall include the total of the amounts receivable from persons other than affiliates against each of whom there is a net debit balance in the accounts maintained for traffic settlements. (See § 35.03-19.)

§ 35.1753 *Matured interest receivable.* This account shall include amounts representing earned interest receivable from persons other than affiliates that is matured and subject to current settlement.

NOTE A: Earned interest receivable that is accrued but unmatured shall be included in account 1770, "Unmatured accrued receivables."

NOTE B: Matured interest receivable that is not subject to current settlement shall be included in the account in which the principal amount is carried.

§ 35.1754 *Declared dividends receivable.* This account shall include amounts representing declared dividends on stocks owned (other than stocks of affiliates) that become matured not later than the first day following the date of the balance sheet.

NOTE A: Declared dividends receivable from affiliates shall be included in account 1749, "Other receivables from affiliates."

NOTE B: Declared dividends receivable that do not mature until after the first day following the date of the balance sheet shall be included in account 1770, "Unmatured accrued receivables."

§ 35.1755 *Matured rents receivable.* This account shall include amounts representing rentals receivable from persons other than affiliates that are matured and subject to current settlement.

NOTE A: Rentals receivable that are accrued but unmatured shall be included in account 1770, "Unmatured accrued receivables."

NOTE B: Amounts receivable for minor rentals shall be included in account 1730, "Receivables from customers."

§ 35.1759 *Other accounts receivable.* (a) This account shall include the amounts of receivables from persons other than affiliates not provided for elsewhere. (See §§ 35.1725 and 35.1730; also §§ 35.1751 to 35.1758, inclusive, and §§ 35.1770, 35.1775, and 35.1785.)

(b) This account shall be subdivided as follows:

- 1759:01 Officers and employees.
- 1759:99 Others.

(c) In stating the balance sheet there may be included in this account the total of the net amounts receivable from persons other than affiliates against each of whom there is a net debit balance between amounts in this account and amounts in account 2139, "Other accounts payable."

§ 35.1765 *Allowance for uncollectible receivables.* (a) This account shall be credited with amounts charged to account 4935, "Uncollectible revenues," account 5299, "Other deductions from ordinary income," and account 6120, "Extraordinary current income charges," to provide for uncollectible receivables, under a plan consistently followed and adjusted for errors in estimates.

(b) This account shall be charged with any amounts covered herein that are determined to be impracticable of collection and shall be credited with amounts collected that previously were charged hereto.

(c) The records supporting the entries in this account shall be so maintained as to show the amount applicable to each



class of receivables for which allowances are established, and also the account that was charged with each credit in this account.

**§ 35.1770 Unmatured accrued receivables.** (a) This account shall include the amounts of revenue estimated to have accrued for services not billed but subsequently billable and not due under contract and the amounts of interest, rent, and other items accrued, and dividends declared prior to the date for which the balance sheet is made, but not receivable until after the first day following that date.

(b) This account shall be subdivided as follows:

- 1770:01 Accrued communication revenue.
- 1770:02 Accrued interest.
- 1770:03 Declared dividends.
- 1770:04 Accrued rents.
- 1770:99 Other accrued receivables.

**§ 35.1775 Subscriptions to capital stock.** (a) The amount of each subscription to capital stock of the carrier shall be charged to this account at the time the subscription is accepted. The book amount of the stock subscribed shall be credited to account 2420, "Capital stock subscribed—Unissued." The difference between the foregoing amounts shall be charged or credited, as appropriate, to the discount and premium account maintained under the provisions of paragraph (a) of § 35.10–13. (See also §§ 35.10–9 and 35.1780.)

(b) This account shall be subdivided as follows:

- 1775:01 Amounts subscribed by affiliates.
- 1775:02 Amounts subscribed by officers and employees.
- 1775:03 Amounts subscribed by underwriters.
- 1775:99 Amounts subscribed by others.

**§ 35.1780 Deposits on subscriptions to capital stock.** (a) This account shall be credited with amounts received as payments on subscriptions to capital stock.

(b) When payment for the total amount of a subscription has been received, this account shall be charged and account 1775, "Subscriptions to capital stock," shall be credited with such total amount.

(c) Any amounts in this account which become the property of the carrier by forfeiture shall be charged hereto and credited to account 2599, "Other capital surplus."

(d) This account shall be subdivided as follows:

- 1780:01 Deposits received from affiliates.
- 1780:02 Deposits received from officers and employees.
- 1780:03 Deposits received from underwriters.
- 1780:99 Deposits received from others.

**§ 35.1785 Subscriptions to bonds.** (a) The amount of each subscription to bonds of the carrier shall be charged to this account at the time the subscription is accepted. The face amount of the bonds subscribed shall be credited to account 2020, "Bonds subscribed—Unissued." The difference between the foregoing amounts shall be charged or credited, as appropriate, to the discount and premium account maintained under

the provisions of paragraph (a) of § 35.10–14. (See also § 35.1790.)

(b) This account shall be subdivided as follows:

- 1785:01 Amounts subscribed by affiliates.
- 1785:02 Amounts subscribed by officers and employees.
- 1785:03 Amounts subscribed by underwriters.
- 1785:99 Amounts subscribed by others.

**§ 35.1790 Deposits on subscriptions to bonds.** (a) This account shall be credited with amounts received as payments on subscriptions to bonds of the carrier.

(b) When payment for the total amount of a subscription has been received, this account shall be charged and account 1785, "Subscriptions to bonds," shall be credited with such total amount.

(c) Any amounts in this account which become the property of the carrier by forfeiture shall be charged hereto and credited to account 6110, "Extraordinary current income credits."

(d) This account shall be subdivided as follows:

- 1790:01 Deposits received from affiliates.
- 1790:02 Deposits received from officers and employees.
- 1790:03 Deposits received from underwriters.
- 1790:99 Deposits received from others.

**§ 35.1795 Material and supplies.** (a) This account shall include the cost (consideration being given to the adjustments outlined in paragraphs (b), (c), (d), and (e) of this section) of unapplied material and supplies held for use in communication service (including plant supplies, unissued small tools, fuel, stationery, other supplies, and supply expense), and of material and articles of the carrier in process of conversion and manufacture for supply stock.

(b) Cost shall include the purchase price at the point of free delivery, plus customs duties, excise taxes, and other taxes on purchases, insurance, cost of inspection, special tests prior to acceptance, loading and unloading, transportation, and other directly assignable charges. (Transportation and other charges impracticable of inclusion in the cost of the particular material to which they relate shall be charged to account 9016, "Supply clearing account.")

(c) Cash and other discounts on material shall be deducted from the cost of the particular material to which they relate or credited to the account to which the material is charged. (When impracticable of such treatment they shall be credited to account 9016, "Supply clearing account.")

(d) Material recovered in connection with construction, maintenance, or retirement of plant shall be included in this account as follows:

- (1) Reusable material shall be included in the appropriate subdivision of this account at original cost, estimated if not known.
- (2) The cost of repairing reusable material shall be charged to the appropriate operating-expense account.
- (3) Scrap and nonusable material shall be included in this account at the esti-

mated net amount realizable therefrom. The differences between the amounts realized for scrap and nonusable material sold and the amount at which the material was included in this account shall be adjusted to the accounts credited when the material was charged to this account. (When impracticable of such treatment, the differences shall be adjusted to account 9016, "Supply clearing account.")

(e) Inventories of material and supplies shall be taken during each calendar year and the necessary adjustments shall be made to bring the balance in this account into agreement with the actual inventories. In effecting the adjustments, differences that can be assigned to important classes of material shall be equitably adjusted among the accounts to which such classes of material were charged subsequent to the previous inventory. Other differences shall be equitably apportioned among the accounts to which material has been charged since the last inventory or included in account 9016, "Supply clearing account."

(f) This account shall be subdivided as follows:

- 1795:01 Material held for use in the carrier's communication operations.
- 1795:02 Material in process.
- 1795:03 Merchandise known to be held predominantly for sale or resale, or for use in jobbing or contracting operations.
- 1795:04 Material and supplies held for other than communication operations.
- 1795:05 Undistributed supply items. (See § 35.90–2.)

**NOTE A:** This account shall not include amounts representing cost of material or articles the title to which is not vested in the carrier.

**NOTE B:** Interest on material bills the payment of which has been delayed shall be charged to account 5235, "Other interest charges."

**§ 35.1799 Other current assets.** (a) This account shall include the amounts of current assets not provided for elsewhere.

(b) The records supporting the entries in this account shall be so maintained as to show full details concerning each item included herein.

#### Prepayments

**§ 35.1810 Prepaid insurance.** This account shall be charged with the amounts of insurance premiums paid in advance. As the term expires for which the insurance premiums were paid, this account shall be credited at monthly intervals and the appropriate accounts charged.

**§ 35.1815 Prepaid rents.** This account shall be charged with the amounts of rents paid in advance. As the term expires for which the rents were paid, this account shall be credited at monthly intervals and the appropriate accounts charged.

**§ 35.1820 Prepaid taxes.** This account shall be charged with the amounts of taxes paid in advance. As the term expires for which the taxes were paid, this account shall be credited at monthly



intervals and the appropriate accounts charged.

§ 35.1899 *Other prepayments.* This account shall be charged with the amounts of prepayments not provided for elsewhere. As the term expires for which the payments were made, this account shall be credited at monthly intervals and the appropriate accounts charged.

#### *Deferred Charges*

§ 35.1910 *Extraordinary maintenance, depreciation, and retirements.* This account shall include such amounts of the unprovided-for loss in service value of plant retired for causes not contemplated in prior allowances for depreciation as are authorized or directed by the Commission to be included herein. (See also § 35.04-4.) It shall also include such other amounts as may be authorized or directed by the Commission to be included herein.

§ 35.1915 *Capital-stock expense.* (a) This account shall include the amounts of stock expenses that have not been charged to account 6120, "Extraordinary current income charges." (See particularly § 35.10-13.)

(b) A separate subaccount, with appropriate title, shall be maintained for stock expenses applicable to each class of capital stock.

NOTE: Expenses incurred in connection with the reacquisition and resale of capital stock shall be accounted for as provided in § 35.10-9.

§ 35.1920 *Long-term debt expense.* (a) This account shall include the amounts of debt expenses that have not been charged to account 5245, "Amortization of debt expense," or to account 6120, "Extraordinary current income charges." (See particularly § 35.10-14.)

(b) A separate subaccount, with appropriate title, shall be maintained for debt expenses applicable to each issue or series of long-term debt.

NOTE: Expenses incurred in connection with the reacquisition and resale of long-term debt shall be accounted for as provided in § 35.10-14.

§ 35.1925 *Discount on capital stock.* This account shall include the total of the debit balances in the accounts for discount and premium on capital stock. (See particularly § 35.10-13.)

§ 35.1930 *Unamortized discount on debt.* This account shall include the total of the debit balances in the accounts for discount and premium on long-term debt. (See particularly § 35.10-14.)

§ 35.1935 *Preliminary survey and investigation charges.* (a) This account shall be charged with all preliminary expenditures for surveys, plans, investigations, etc., made for the purpose of determining the feasibility of major projects under contemplation such as the construction, retirement, purchase, or sale of plant. If a project is authorized, the amounts applicable thereto shall be credited to this account and charged to the appropriate accounts. (See also note at the end of this section.) If a project is abandoned, the amounts applicable thereto shall be credited to this

account and, when borne by the carrier, shall be charged to account 6120, "Extraordinary current income charges," unless otherwise authorized or directed by the Commission.

(b) The records supporting the entries in this account shall be so maintained that the carrier can furnish complete information as to the nature and purpose of the surveys, plans, or investigations, and the nature and respective amounts of the charges.

NOTE: The amount of preliminary survey and investigation charges transferred to the plant accounts shall not exceed the expenditures which may reasonably be determined to contribute directly and immediately and without duplication to the plant. (See also § 35.03-7.)

§ 35.1940 *Debit balances in clearing accounts.* This account shall include the total of the debit balances (i. e., the amounts that affect the accounting for future periods) remaining in all clearing accounts except account 9016, "Supply clearing account." (See particularly § 35.90-2.)

§ 35.1999 *Other deferred charges.* (a) This account shall include the amounts of deferred charges not provided for elsewhere. (See also sec. 35.03-15.)

(b) The records supporting the entries in this account shall be so maintained that the carrier can furnish complete information as to each item included herein.

#### *Long-Term Debt*

§ 35.2010 *Bonds actually issued.* (a) This account shall include the face amount of actually issued and unmatured bonds that have not been retired or canceled; and also the face amount of such bonds issued by others the payment of which has been assumed by the carrier. (See particularly §§ 35.10-7, 35.10-8, and 35.10-17.)

(b) A separate ledger account, with appropriate title, shall be maintained for each issue or series of bonds.

NOTE A: Discount, expense, and premium on bonds shall be accounted for as provided in § 35.10-14.

NOTE B: Matured bonds shall be included in account 2120, "Matured long-term debt."

§ 35.2015 *Bonds reacquired.* (a) This account shall include the face amount of bonds actually issued or assumed by the carrier and reacquired by it and held under conditions that do not permit the carrier to treat such bonds as retired or canceled but do permit their resale. It shall not include securities that are held by trustees of debt-redemption or other funds.

(b) When any issue of bonds, or portion thereof, is reacquired, the acquisition cost of the bonds and the amount of unamortized discount, expense, or premium applicable thereto shall be accounted for as provided in § 35.10-14.

(c) When reacquired bonds are sold, the book amount of the bonds shall be credited to this account and the difference between such amount and the amount received from the sale less commissions and expenses incurred in the sale shall be charged to account 6120, "Extraordinary current income charges,"

or credited to account 6110, "Extraordinary current income credits," as appropriate.

(d) A separate subaccount, with appropriate title, shall be maintained for each issue or series of bonds reacquired.

§ 35.2020 *Bonds subscribed—Unissued.* (a) This account shall include the face amount of bonds for which legally enforceable subscriptions have been received but for which evidences of indebtedness have not been issued.

(b) When the amount of each subscription is received and the evidences of indebtedness are issued, this account shall be charged and account 2010, "Bonds actually issued," shall be credited with the face amount of such bonds.

(c) Interest that has accrued on the evidences of indebtedness issued to subscribers shall be accounted for through the appropriate interest account.

(d) A separate subaccount, with appropriate title, shall be maintained for subscriptions to each issued or series of bonds.

§ 35.2025 *Receivers' and trustees' securities.* This account shall include the book amount of the evidences of indebtedness issued by receivers or trustees in possession of the property of the carrier and acting under the orders of a court.

§ 35.2030 *Advances from affiliates.* (a) This account shall include the amounts owed to affiliates on notes maturing more than 1 year from date of issuance or origin and the amounts of open accounts representing investment advances from affiliates.

(b) This account shall be subdivided as follows:

2030:01 Notes.

2030:02 Open accounts.

NOTE: Notes and open accounts representing indebtedness to affiliates that are subject to current settlement shall be included in account 2129, "Other payables to affiliates."

§ 35.2099 *Other long-term debt.* (a) This account shall include the amounts of all long-term debt not provided for elsewhere.

(b) The records supporting the entries in this account shall be so maintained that the carrier can furnish complete information as to each item included herein.

#### *Current Liabilities*

§ 35.2101 *Unpaid wages.* This account shall include the amounts of accrued wages as at the date of the balance sheet, and the amounts of unclaimed wages not represented by outstanding checks and not yet subject to the provisions of paragraph (c) of § 35.10-5.

§ 35.2111 *Liability for tax collections.* (a) This account shall include amounts collectible or collected (directly or through the pay-roll deduction or other method) by the carrier from customers, employees, or other third persons and payable to the United States or to State, local, or foreign governments.

(b) This account shall be subdivided, as indicated below, so as to show separately (1) amounts due the United States under the provisions of the Social Security Act, (2) amounts due State or



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local governments under the provisions of statutes related to or similar to the Social Security Act, (3) amounts due the United States for taxes on the transmission of messages and the leasing of facilities, and (4) other amounts due governments:

- 2111:01 Federal social security.  
 2111:02 State or local social security.  
 2111:03 Federal message (and leased facility).  
 2111:99 Other.

§ 35.2113 *Unpaid money orders.* This account shall include the amounts of money orders, travelers' cheques, C. O. D. checks, letters of credit, and similar forms of sight or demand checks and drafts drawn by agents on the carrier and outstanding in the hands of payees or drawn on express or other companies and not paid to the drawees. It shall also include the amounts appearing on receipts or on similar evidences of the acceptance of funds for transmittal issued by agents of the company and not yet represented by any of the above-mentioned types of sight or demand instruments.

§ 35.2115 *Customers' deposits.* This account shall include amounts deposited with the carrier by customers as security for the payment of bills. (See also § 35.2315.)

§ 35.2120 *Matured long-term debt.* This account shall include the amount of long-term debt and receivers' and trustees' securities, including any obligations for premiums, matured and unpaid without specific agreement for extension of maturity. It shall include the amounts of bonds drawn or called for redemption but not presented.

§ 35.2122 *Traffic settlements payable to affiliates.* This account shall include the total of the amounts payable to affiliated carriers in favor of each of which there is a net credit balance in the accounts maintained for traffic settlements. (See particularly § 35.03-19.)

§ 35.2129 *Other payables to affiliates.* (a) This account shall include amounts payable to affiliates not provided for elsewhere. (See particularly §§ 35.2122, 35.2165, 35.2170, and 35.2180.)

(b) This account shall be subdivided as follows:

- 2129:01 Matured interest payable.  
 2129:02 Matured rents payable.  
 2129:03 Current notes payable. (See also § 35.2030.)  
 2129:99 Other accounts payable.

(c) In stating the balance sheet there may be included in this account the net amounts payable to affiliates in favor of each of which there is a net credit balance between amounts in this account and amounts in account 1749, "Other receivables from affiliates."

(Payables to Nonaffiliates)

§ 35.2131 *Notes payable.* This account shall include amounts payable to persons other than affiliates on notes, drafts, acceptances, and other evidences of indebtedness payable on demand or not more than 1 year from the date of issuance. (See also paragraph (b) of § 35.1751.)

NOTE: Notes payable to nonaffiliates more than 1 year from the date of issuance shall be included in account 2099, "Other long-term debt."

§ 35.2132 *Traffic settlements payable.* This account shall include the total of the amounts payable to persons other than affiliates in favor of each of whom there is a net credit balance in the accounts maintained for traffic settlements. (See particularly § 35.03-19.)

§ 35.2133 *Matured interest payable.* (a) This account shall include the amount of matured interest that is subject to current settlement and payable to persons other than affiliates on long-term debt or other obligations of the carrier. (See also § 35.2165.)

(b) The records supporting the entries in this account shall be so maintained as to show separately the rate and amount of interest included herein by reference to the obligation to which the interest relates.

NOTE: Matured interest payable that is not subject to current settlement shall be included in the account in which the principal amount is recorded.

§ 35.2134 *Dividends payable.* (a) This account shall include the amount of declared dividends that are payable not later than the first day following the date of the balance sheet and that for any reason have not been paid. (See particularly § 35.2164.)

(b) The records supporting the entries in this account shall be so maintained as to show the amount of dividends includible herein by the classes of capital stock to which they relate.

§ 35.2135 *Matured rents payable.* This account shall be credited with the amounts charged to the income accounts and the amounts of the clearances from account 2170, "Rent accruals," representing matured rents payable to persons other than affiliates.

§ 35.2139 *Other accounts payable.* (a) This account shall include the amounts of payables to persons other than affiliates not provided for elsewhere, including the amounts of vouchers that have been approved for payment but remain unpaid as at the date of the balance sheet. (See §§ 35.2099, 35.2101, 35.2111, 35.2113, and 35.2115; also §§ 35.2131 to 35.2138, inclusive, and 35.2160 to 35.2180, inclusive.)

(b) In stating the balance sheet there may be included in this account the total of the net amounts payable to persons other than affiliates in favor of each of whom there is a net credit balance between amounts in this account and amounts in account 1759, "Other accounts receivable."

§ 35.2155 *Advance billings.* (a) This account shall be credited with the amounts of bills rendered for services to be furnished in future accounting periods.

(b) This account shall be charged and the appropriate operating-revenue accounts, income accounts, or asset accounts shall be credited as the services are rendered or as adjustments are approved.

NOTE: This account shall not include amounts representing advances for construction. (See particularly § 35.2315.)

§ 35.2160 *Liability on installment-plan sales of capital stock.* (a) This account shall include the amounts of receipts (obtained either directly or through pay-roll deductions) from employees and others, other than on subscriptions, as partial payments on capital stock of the carrier.

(b) When amounts so received equal the agreed purchase price for capital stock, this account shall be charged and account 2410, "Capital stock issued," or account 2415, "Capital stock reacquired," as appropriate, shall be credited with the book amount of such stock. Any discount or premium on original issues shall be included in the appropriate discount and premium account.

(c) When amounts included herein are forfeited, by purchasers, this account shall be charged and account 2599, "Other capital surplus," shall be credited with the amounts so forfeited.

(d) When, for any reason, receipts under this plan are refunded to purchasers, this account shall be charged with the amount of such refunds, to the extent that the refunds represent amounts of principal installment receipts.

(e) Any amounts credited to purchasers as interest on installment receipts shall be charged to account 5235, "Other interest charges." Any amount by which refunds on uncompleted purchases fail to equal the amounts received from purchasers shall be charged to this account and credited to account 2599, "Other capital surplus."

(f) This account shall be subdivided as follows:

- 2160:02 Receipts from officers and employees.  
 2160:99 Receipts from others.

(Liability Accruals)

§ 35.2164 *Dividends declared.* (a) This account shall include the amount of declared dividends payable at a date subsequent to the first day following the date of the balance sheet. (See particularly § 35.2134.)

(b) The records supporting the entries in this account shall be so maintained as to show the amount of dividends declared on each class of capital stock.

§ 35.2165 *Interest accruals.* (a) This account shall be credited monthly with amounts charged to account 5210, "Interest on long-term debt," account 5215, "Interest on indebtedness to affiliates," account 5235, "Other interest charges," and other appropriate accounts representing proportionate amounts, applicable to the period, of interest liabilities that have not matured.

(b) When any item of interest included herein has matured, the amount thereof shall be cleared by a charge to this account and a credit to account 2133, "Matured interest payable," or other appropriate account.

§ 35.2170 *Rent accruals.* (a) This account shall be credited monthly with amounts charged to account 5205, "Rent for lease of operated plant," account 4261, "Rents for operating offices," ac-



count 4269, "Rents for other facilities," and other appropriate accounts representing proportionate amounts, applicable to the period, of rent liabilities that have not matured.

(b) When the obligation with respect to which any item included herein has matured, the amount of such item shall be cleared by a charge to this account and a credit to account 2135, "Matured rents payable," or other appropriate account.

**§ 35.2175 Tax accruals.** (a) This account shall be credited monthly with the amount of taxes applicable to the period, and corresponding charges shall be made to the appropriate accounts. Such credits may be based upon estimates, but from time to time, as the facts become known, the amounts of the periodic credits shall be adjusted so as to include, as nearly as can be determined in each year, the taxes applicable to that year.

(b) The records supporting the entries in this account shall be so maintained that the carrier can furnish information as to the amounts by classes of taxes and taxing authorities, the basis for each tax determination, and the accounts to which charged.

**NOTE A:** Interest on tax assessments the payment of which has been delayed shall be charged to account 5233, "Interest on past-due tax assessments."

**NOTE B:** Taxes such as social security taxes collected from employees and message taxes collected from customers shall be included in account 2111, "Liability for tax collections."

**NOTE C:** Any amount representing a prepayment of taxes applicable to a subsequent period shall be included in account 1820, "Prepaid taxes."

**§ 35.2180 Other liability accruals.** (a) This account shall be credited with the amounts of liability accruals not provided for elsewhere.

(b) When the obligation with respect to which any item included herein has matured, the amount of such item shall be cleared by a charge to this account and a credit to the appropriate account according to the nature of the matured item.

**§ 35.2199 Other current liabilities.** (a) This account shall include the amounts of current liabilities not provided for elsewhere. (See particularly par. (c) of § 35.10-5.)

(b) The records supporting the entries in this account shall be so maintained as to show full details concerning each item included herein.

#### Provisions for Future Settlements

**NOTE:** See particularly § 35.10-11.

**§ 35.2210 Provisions for employees' pensions and welfare.** (a) This account shall include specific appropriations of income and the amounts contributed by employees or others (whether carried in special trust funds or in the general funds of the carrier) for pensions, accident and death benefits, savings, relief, hospital, and other provident purposes, when administered by trustees or managers acting for the carrier.

(b) This account shall include also the amount accrued for pensions through charges to account 4327, "Relief and pensions." Amounts so credited shall, when actually paid to retired employees or paid into a trust fund irrevocably devoted to the payment of pensions, be charged hereto.

**§ 35.2215 Provisions for self-carried insurance.** (a) This account shall include provisions to cover self-carried risks for losses through accident, fire, flood, or other causes, other than provisions made in the allowance for depreciation.

(b) This account shall also be credited with the amounts that are charged to account 4323, "Workmen's compensation," in accordance with paragraph (b) of that account.

(c) Amounts included in this account shall be computed upon a basis of rates which fairly cover the risks incurred. These rates shall be determined according to the carrier's experience and best estimate as to the hazard covered. A schedule of risks covered by this account shall be maintained giving a description of the property or the character of the risks covered.

(d) If the carrier reinsures with insurance companies risks initially covered in this account, the premiums for such reinsurance shall be charged hereto.

(e) To the extent that losses and damages sustained or awards made are covered by this account, an amount equal thereto shall be charged to this account and credited to the accounts appropriate for the losses and damages sustained or awards made.

(f) This account shall be subdivided as follows:

2215:01 Workmen's compensation insurance.  
2215:99 Other insurance.

**NOTE A:** Accretions to this account shall not be made in excess of a reasonable provision against losses of the character provided for.

**NOTE B:** All losses and damages sustained or awards made, including those covered by commercial insurance or by this account, shall be charged in the first instance to the allowance-for-depreciation, construction, maintenance, injuries-and-damages, workmen's-compensation, or other appropriate account, according to the character of the loss. Insurance recovered or amounts chargeable to this account on account of losses and damages sustained shall be credited to the account in which the losses and damages stand charged.

**§ 35.2220 Provisions for equalization of maintenance expenses.** (a) This account shall be credited with such amounts as the Commission may authorize or direct to be charged to account 4180, "Maintenance-expense equalization," under a plan to equalize maintenance expenses.

(b) When maintenance work is performed for which provision has been made in this account, the cost of such work shall be charged to the appropriate maintenance accounts. Concurrently this account shall be charged and account 4180 shall be credited with an amount equal to the provision for the cost of such maintenance work.

(c) The carrier's application to the Commission for permission to institute an equalization program shall show full details as to the plan of administration of the program, the character of the work to which amounts accrued may subsequently be applied, and the amount of the monthly or annual accruals for equalization purposes.

(d) A separate subaccount, with appropriate title, shall be maintained for each project or program for which provision is made in this account.

**§ 35.2225 Provisions for depreciation and replacement of operated plant leased from others.** (a) This account shall be credited with amounts charged to account 4910, "Depreciation," for currently accruing depreciation of operated plant leased from others when the carrier, as lessee, is required to replace or to restore the condition of such plant and when such amounts are not subject to current reimbursement to the lessor.

(b) This account shall be charged with the cost of leased plant retired and the cost of removal when, under the terms of the lease, the carrier, as lessee, is required to replace or to restore the condition of plant leased from others. It shall be credited with the salvage value and any other amounts recovered from such retired plant. (See also § 35.1-5.)

(c) As at the effective date of this system of accounts, this account shall be credited with such amounts as are necessary to record herein the service value of operated plant leased from others that has expired during the periods of effective leasing agreements under which the carrier, as lessee, is required to replace or to restore the condition of such plant, and when such amounts are not subject to current settlement with the lessor. This includes amounts with respect to depreciable operated plant that has been retired during the periods of such agreements and the expired service value of such plant still in the service of the carrier. The amounts thus credited shall, unless otherwise authorized by the Commission, be charged to account 6120, "Extraordinary current income charges."

(d) The amount in this account with respect to each leasing agreement shall be cleared at the expiration of the lease as provided in paragraph (k) of § 35.1-6.

(e) The records supporting the entries in this account shall be so maintained as to show the amount included herein with respect to each leasing agreement.

**§ 35.2230 Leased operated plant retired.** (a) This account shall be credited with the cost of leased operated plant retired when the carrier, as lessee, is required to replace or to restore the condition of plant leased from others. (See also § 35.1-5.)

(b) As at the effective date of this system of accounts, this account shall be credited, and account 2225, "Provisions for depreciation and replacement of operated plant leased from others," shall be charged with the original cost of operated plant leased from others that has been retired since the date of each effective leasing agreement under which the carrier, as lessee, is required to replace or to restore the condition of such



plant, and when the cost of such replacement or restoration is not subject to current settlement with the lessor.

(c) The amount in this account with respect to each leasing agreement shall be cleared at the expiration of the lease as provided in paragraph (k) of § 35.1-6.

(d) The records supporting the entries in this account shall be so maintained as to show the amount included herein with respect to each leasing agreement.

§ 35.2299 *Other provisions for future settlements.* (a) This account shall include the amounts of provisions for future settlements not provided for elsewhere, including reasonable provisions for uninsured casualty liabilities charged to account 4325, "Injuries and damages."

(b) The records supporting the entries in this account shall be so maintained as to show complete details concerning each item included herein.

#### Deferred Credits

§ 35.2310 *Unamortized premium on debt.* This account shall include the total of the credit balances in the accounts for discount and premium on long-term debt. (See particularly par. (c) of § 35.10-14.)

§ 35.2315 *Advances for construction.* (a) This account shall include the entire amount of advances for construction that are to be repaid in full or in part.

(b) When full repayment is made of the amount to which the person making the advance is entitled, according to the agreement or rule under which the advance is made, the balance, if any, remaining in this account shall be transferred to account 2515, "Contributions of plant."

§ 35.2320 *Credit balances in clearing accounts.* This account shall include the total of the credit balances (i. e., the amounts that affect the accounting for future periods) remaining in all clearing accounts except account 9016, "Supply-clearing account." (See particularly § 35.90-2.)

§ 35.2399 *Other deferred credits.* (a) This account shall include the amount of deferred credits not provided for elsewhere. (See also § 35.03-15.)

(b) The records supporting the entries in this account shall be so maintained that the carrier can furnish complete information as to each item included herein.

#### Capital Stock

§ 35.2410 *Capital stock issued.* (a) This account shall include the book amount of actually issued capital stock. (See particularly § 35.10-9; also §§ 35.10-13 and 35.10-17.)

(b) When any class of capital stock or portion thereof is retired or canceled, this account shall be charged with the amount at which such stock is carried herein.

(c) Separate subaccounts shall be maintained to show the book amount of each class of stock as provided in § 35.10-9.

NOTE A: When a levy or assessment (not including a call for payment on subscriptions) is made against holders of capital

stock, the amount collected upon such levy or assessment shall be accounted for in accordance with paragraph (d) of § 35.10-13.

NOTE B: Discount, expense, and premium on capital stock shall be accounted for in accordance with § 35.10-13.

§ 35.2415 *Capital stock reacquired.* (a) This account shall include the book amount of capital stock actually issued by the carrier and reacquired by it, except stock which is held by trustees of debt-redemption and other funds. No-par stock shall be included in this account at the proportionate part of the total amount at which the particular class of stock is included in account 2410, "Capital stock issued."

(b) When any class of capital stock or portion thereof is reacquired or retired, the acquisition cost of the stock and the amount of unamortized discount, expense, or premium applicable thereto shall be accounted for in accordance with paragraph (d) of § 35.10-9.

(c) When reacquired capital stock is sold, the book amount of the stock shall be credited to this account and the difference between such amount and the amount received from the sale shall be accounted for in accordance with paragraph (f) of § 35.10-9.

(d) A separate subaccount, with appropriate title, shall be maintained for each class of capital stock reacquired.

§ 35.2420 *Capital stock subscribed—Unissued.* (a) This account shall include the book amount of capital stock for which legally enforceable subscriptions have been received but for which stock certificates have not been issued. (See also § 35.2160.)

(b) When the amount of each subscription is received and stock certificates are issued, this account shall be charged and account 2410, "Capital stock issued," shall be credited with the book amount of such stock.

(c) A separate subaccount, with appropriate title, shall be maintained for each class of capital stock.

§ 35.2425 *Obligations for stock conversion.* (a) This account shall include the book amount of capital stock that the carrier has agreed to exchange for the outstanding securities of other companies which have not been surrendered for exchange. (See particularly § 35.10-8.)

(b) When the securities of the other companies have been surrendered, this account shall be charged and account 2410, "Capital stock issued," shall be credited with the book amount of the stock given in exchange.

(c) A separate subaccount, with appropriate title, shall be maintained for each class of capital stock.

#### Capital Surplus

§ 35.2510 *Premiums and assessments on capital stock.* This account shall include the total of the credit balances in the capital-stock discount and premium accounts. (See particularly § 35.10-13.)

§ 35.2515 *Contributions of plant.* (a) This account shall include the amounts of money or its equivalent contributed directly or indirectly to the carrier for

the construction or acquisition of plant. (See particularly pars. (a) and (b) of § 35.1-2.)

(b) The amounts credited to this account shall not be transferred to any other account without the approval of the Commission.

(c) The records supporting the entries in this account shall be so maintained as to show complete information with respect to each contribution, including the amount and purpose, the conditions upon which it was made, and the name of the donor. (See also § 35.1-2 (g).)

§ 35.2599 *Other capital surplus.* (a) This account shall include all capital surplus not provided for elsewhere.

(b) Among the amounts includible in this account are credits arising from the reacquisition and resale, from the retirement and cancellation, from a reduction of the stated value, and from the donation by stockholders, of the carrier's capital stock; surplus arising from the forgiveness of debt of the carrier; surplus recorded upon the reorganization or recapitalization of the carrier; and amounts that become the property of the carrier as a result of the forfeiture by others of deposits on subscriptions to capital stock and installment-plan payments on purchases of capital stock. (See particularly § 35.10-9.)

#### Earned Surplus

§ 35.2610 *Contractual reserves.* (a) This account shall include the amount of earned surplus reserved or otherwise set aside in accordance with the terms of mortgages, deeds of trust, orders of courts, contracts, or other agreements. (See also § 35.30-2.)

(b) Separate subaccounts shall be maintained under such titles as will designate the obligation in support of which each reserve recorded hereunder was created.

§ 35.2615 *Reserve against impairment of stated capital.* (a) This account shall be credited with amounts charged to account 8315, "Earned surplus employed in reacquisition of capital stock," as provided in paragraph (i) of § 35.10-7.

(b) Upon the resale or retirement of reacquired stock, this account shall be charged and account 8315, "Earned surplus employed in reacquisition of capital stock," shall be credited with the amounts included herein applicable to such stock.

§ 35.2620 *Miscellaneous reserves.* (a) This account shall include the amount of reservations of earned surplus not provided for elsewhere.

(b) Separate subaccounts shall be maintained under such titles as will designate the purpose for which each reserve recorded hereunder was created.

§ 35.2699 *Unappropriated earned surplus.* This account shall include the amount of net earned surplus after providing for reservations and appropriations. (See particularly § 35.10-10.)

#### OPERATED PLANT ACCOUNTS

##### INSTRUCTIONS

§ 35.1-1 *Purpose and content of operated plant accounts.* (a) The operated plant accounts are designed to show in



detail the cost of the several classifications of the carrier's wire-telegraph and ocean-cable plant that has a service life of more than 1 year, whether used by the carrier or by others.

(b) The balances in the several operated plant accounts are includible in the following balance-sheet accounts under the caption "Communication plant," and the chart under § 35.1-99 shows the method of combining a balance-sheet account number and a plant account number when it is desired to indicate both the use and the class of plant:

1000 Operated plant in carrier's service.  
1100 Operated plant leased to others.  
1200 Improvements and replacements of operated plant leased from others.

(Account 1400, "Plant held for future communication use," shall also be classified according to the titles and texts provided for the several operated plant accounts.)

NOTE: Plant used in furnishing telephone or radiotelegraph service shall be accounted for as provided in § 35.03-8.

(c) When operated plant ordinarily having a service life of more than 1 year is installed for temporary use in wire-telegraph and ocean-cable service, it shall be accounted for in the same manner as other plant having a service life of more than 1 year.

(d) The cost of individual items of work equipment, such as hand tools and other portable tools that are likely to be lost or stolen, and other items of work equipment that have relatively small value (e. g., costing \$10.00 or less) or short life, shall be included in the operated plant accounts only when the investment in such property is relatively large and the correctness of the accounting therefor is verified by the current inventory. When not so verified the cost of such items shall be charged to the operating-expense (or other) account appropriate for the use of such items.

(e) Carriers furnishing both wire-telegraph and ocean-cable services shall maintain separate accounts for the cost of operated plant applicable to each such service. (See § 35.1-99.)

(f) Not later than January 1, 1946 each carrier shall have completed the studies necessary for reclassifying its plant as at January 1, 1943, in accordance with this system of accounts, and shall have submitted to the Commission the entries it proposes to make to carry out the provisions of this section. It shall submit also (not later than January 1, 1946) a comparative balance sheet showing, as at January 1, 1943, the amounts includible in the respective accounts prescribed in this system of accounts (1) before and (2) after effect has been given to the proposed entries mentioned above relating to the reclassification of the plant.

(g) Pending the reclassification of plant, as at the effective date of this system of accounts, in accordance with the accounts prescribed herein, each carrier shall maintain its present accounts with respect to such plant (and its records of retirements therefrom) as subaccounts of account 1540, "Plant in process of reclassification."

§ 35.1-2 *Accounting for plant acquisitions.* (a) Plant previously in public use contributed to the carrier, or plant constructed by the carrier through expenditures of contributed money or its equivalent, shall be charged to the plant accounts on basis of original cost, and there shall be credited to the allowance-for-depreciation and allowance-for-amortization accounts the estimated amounts of depreciation and amortization requirements applicable to such plant at the date of its acquisition by the carrier. Plant not previously in public use contributed to the carrier shall be charged to the plant accounts at its estimated cost new at date of contribution, and there shall be credited to the appropriate allowance-for-depreciation and allowance-for-amortization accounts the estimated amounts of depreciation and amortization requirements applicable to such plant at that date. The difference between the amounts so includible in the plant and in the allowance accounts shall be credited to account 2515, "Contributions of plant."

(b) Amounts received for construction which are ultimately to be repaid, wholly or in part, shall be credited to account 2315, "Advances for construction," and, when final determination has been made as to the amount to be repaid, any amounts not subject to refund shall be transferred to account 2515, "Contributions of plant."

(c) When property that comprises a substantially complete operating system or operating unit is acquired from predecessors by purchase, merger, consolidation, liquidation, or otherwise, that portion of the acquisition cost applicable to operated plant, plant under construction, and plant held for future communication use shall be charged to account 91, "Plant acquired—Undistributed charges."

(d) The accounting with respect to the acquisition of such plant shall then be completed as follows:

(1) The original cost of such plant shall be charged to the several plant accounts and account 1300, "Plant under construction," as appropriate, and credited to account 91, "Plant acquired—Undistributed charges." When the actual original cost cannot be determined and estimates are used, the carrier shall maintain records to show the particulars of such estimates.

(2) The requisite amounts of the allowances for depreciation and amortization applicable to such plant at the date of acquisition shall be credited to account 1515, "Allowance for depreciation—Wire-telegraph and ocean-cable plant," and account 1520, "Allowance for amortization—Wire-telegraph and ocean-cable plant," respectively, and charged to account 91, "Plant acquired—Undistributed charges."

(3) The amount remaining in account 91, "Plant acquired—Undistributed charges," applicable to such plant, upon the completion of the entries provided in the foregoing paragraphs (1) and (2), shall be transferred to account 1510, "Plant-acquisition adjustments."

(e) When a substantially complete operating system or operating unit acquired comprises duplicate or other plant which

is intended to be retired by the carrier in the reconstruction of the acquired plant or in its consolidation with the previously owned property, the accounting with respect to such duplicate or other plant shall be submitted for the consideration and approval of the Commission.

(f) The accounting for wire-telegraph and ocean-cable plant acquired from predecessors not provided for in paragraphs (c) and (d) hereof shall be upon basis of the acquisition cost to the carrier.

(g) A memorandum record shall be kept of the amount of contributions applicable to the plant acquired, as shown by the accounts of the previous owner.

(h) Copies of journal entries recording the acquisition of (1) substantially complete operating systems, (2) substantially complete operating units, or (3) other plant (when the consideration paid for such other plant is \$25,000 or more), and of the entries clearing the amounts originally charged to account 91, "Plant acquired—Undistributed charges," shall be submitted within 90 days from the respective dates of such original and clearing entries for consideration and approval by the Commission. The text of such entries shall give a complete description of the plant acquired and the bases upon which the amounts of the entries have been determined.

(i) In connection with the acquisition of substantially complete operating systems or operating units, the carrier shall endeavor to procure from the grantor (and the grantor, if subject to the accounting regulations of the Commission, shall deliver) all existing records relating to the property acquired, or certified copies thereof.

(j) The cost of initial improvements (including repairs, rearrangements, and additions) to operated plant acquired from others, made in the course of preparing the plant for service, and the cost of any subsequent additions to and replacements of such plant, shall be included in the appropriate operated plant accounts.

(k) If the acquisition of any plant is by means of construction, the provisions of §§ 35.1-3 and 35.1-4 shall be observed.

NOTE: The cost of valuations, inventories, and appraisals taken in connection with the contemplated acquisition of plant shall be charged to account 1935, "Preliminary survey and investigation charges." If the plant is acquired, the preliminary costs shall be accounted for as a part of the cost of acquisition.

§ 35.1-3 *Components of construction costs.* (a) The costs of construction properly includible in the plant accounts shall include the applicable direct and overhead costs, listed and described in paragraph (c) of this section and in section 35.1-4, and other analogous items in connection with such work.

(b) When a part only of a project is placed in operation or is completed ready for service and the construction work as a whole is incomplete, that part of the plant placed in operation or ready for service shall be treated as completed and no further interest charges shall be



made with respect to such completed part.

(c) The following is a description of the principal components of construction costs:

(1) The compensation and the expenses of employees engaged in construction work, including the compensation and expenses of foremen and inspectors in charge thereof.

(2) The purchase price at the point of free delivery of material and supplies plus customs duties and excise taxes; the cost of inspection and handling; transportation to first point of delivery to the carrier; an equitable portion of supply expense; the total cost of fabricated material from the carrier's shops; the book cost of reusable material; and the cost of the tools consumed on a project. (In determining the cost of material used, proper allowance shall be made for unused material and supplies, material recovered from temporary arrangements used in performing the work, salvage value of tools released from the project, and discounts realized in the purchase of material and supplies.)

(3) The cost of transporting employees, material and supplies, tools, and work equipment not under its own power. (Transportation of material and supplies includes transportation from point of first delivery to point of use. It includes amounts paid to others as well as the cost of operating the carrier's own transportation equipment.)

(4) The cost of protecting the carrier's property from fire or other casualties and the cost of preventing injuries to persons and damages to the property of others.

(5) Expenditures or losses on account of injuries to persons and damages to the property of others.

(6) Payments for, and expenses incurred in securing, temporary privileges, permits, or rights in connection with construction work, such as for the use of private or public property, streets, or highways.

(7) Taxes on physical property during construction and before the facilities are completed ready for service, assessed separately from taxes on operating property or under conditions which permit separate identification or allocation of the amount chargeable to construction; also the portion, applicable to construction costs, of taxes imposed under the Social Security Act and similar State statutes.

(8) The net cost of borrowed funds used for construction purposes and (there may be included) a reasonable rate upon the carrier's own funds when so used. Such amounts shall be charged to the individual project upon which the funds are expended and shall be credited to account 5225, "Interest charged to construction—Cr." The period for which interest may be included in the cost of construction shall be limited to the duration of the construction work. (In case construction work is suspended, interest covering a period of more than 6 months from the date of such suspension shall not be included in the cost of construction except when authorized by the Commission. No interest costs for

projects that have been abandoned shall be included in these accounts.)

(9) Premiums paid or amounts provided as self-carried insurance for protection against loss and damage by fire and other casualties, injury to or death of employees or others, damage to property of others, defalcation of employees and agents, nonperformance of contractual obligations of others, and the cost of workmen's compensation or similar insurance.

(10) The cost of telephone, water, electricity, power, office space, equipment, and analogous items allocable to the construction project; also similar items furnished by the carrier through its regular operating facilities.

(11) The pay and expenses of operators and helpers required for machine operation, material and supplies consumed, depreciation, and other expenses incurred in the maintenance, operation, and use of special machines such as steam-shovels, pile-drivers, and other labor-saving machines; also expenditures for rental, maintenance, and operation of such machines owned by others; also, when a particular construction project requires the purchase of special machines, the cost of these machines, less their appraised or salvage value at the time of their release from the project.

(12) The applicable portion of the pay and of the office and other expenses of the carrier's engineers and their staffs responsible primarily for the technical features of construction work.

(13) Amounts paid to other companies, firms, or individuals engaged by the carrier to plan, design, prepare estimates, supervise, inspect, or give general advice and assistance in connection with construction work. (A copy of the agreement or arrangement under which such services are rendered shall be preserved by the carrier.)

(14) An equitable portion of the pay and of the office and other expenses of the general officers and their staffs. (Such amounts shall be determined in accordance with § 35.03-17.)

(15) Amounts paid for work performed under contract by other persons. (Costs incident to the award of such contracts, to the inspection of such work, and to any other work of any character performed by the carrier in connection with a contract-work project have been noted under the components of construction costs appropriate for the character of the service performed or the expense incurred.)

(d) As a reduction of construction costs, any amounts earned, during the construction period incidental to the construction, less correlated expenses, shall be credited to the cost of construction.

#### § 35.1-4 Overhead construction costs.

(a) All overhead construction costs, such as engineering, supervision, general office salaries and expenses, construction engineering and supervision by others than the carrier, law expenses, insurance, injuries and damages, relief and pensions, taxes, and interest, shall be charged to particular projects or units on basis of the amounts of such overhead costs reasonably applicable thereto, to the end

that each project or unit shall bear its equitable portion of such costs and that the entire cost of the unit, both direct and overhead, shall be deducted from the plant accounts at the time the unit of plant is retired.

(b) The records supporting the entries for overhead construction costs shall be so maintained as to show the nature of the expenditures, the individual projects and accounts charged, and the bases of the distribution of such costs.

(c) The instructions contained herein shall not be interpreted as permitting the inclusion in the operated plant accounts of arbitrary amounts to cover assumed overhead costs, but as requiring the assignment to particular projects and accounts of actual and reasonable overhead costs.

§ 35.1-5 Expenditures on operated plant leased from others. (a) Except as provided in paragraphs (b) and (c) of this section, the cost of initial improvements (including repairs, rearrangements, and additions) to operated plant leased from others, made in the course of preparing the plant for service, and the cost of any subsequent additions to and replacements of the leased plant shall be charged to the operated plant accounts appropriate for the class of plant leased. (See also §§ 35.1200 and 35.1-2.)

(b) When, under the terms of a leasing agreement, the carrier, as lessee, is required to make specific improvements to leased plant and such improvements revert to the lessor and constitute a part of the consideration paid for the use of the plant, the cost of such improvements shall be charged by the lessee to account 1815, "Prepaid rents," and amortized over the remaining period of the lease by charges to the appropriate rent account. Such portion of the cost of improvements as represents additions to the leased plant shall be charged by the lessor (if a wire-telegraph or ocean-cable carrier) to the appropriate plant accounts and credited to an appropriate subaccount under account 2399, "Other deferred credits." Amounts thus credited to account 2399 shall be amortized over the remaining period of the lease by credits to the appropriate rental account.

(c) When improvements to leased plant otherwise chargeable to the plant accounts are of relatively minor cost or short life, or when the period of the lease is not more than 1 year, the cost thereof shall be included in account 4261, "Rents for operating offices," or in the account appropriate for the maintenance of such plant, as appropriate.

(d) When, under the terms of a lease, the carrier, as lessee, is required to replace or to restore the condition of plant leased from others, depreciation charges on the plant originally leased shall be computed on the same basis as for owned depreciable plant. Such amounts shall be charged to account 4910, "Depreciation," and (if not subject to current settlement with the lessor) credited to account 2225, "Provisions for depreciation and replacement of operated plant leased from others." (See particularly § 35.04-3 and par. (h) of this section.)



(e) When, under the terms of a lease, the carrier, as lessee, is required to replace or to restore the condition of plant leased from others, the cost of leased plant retired by the lessee shall be credited to account 2330, "Leased operated plant retired." Such amount together with the cost of removal shall be charged, and the salvage value and any other amounts received shall be credited, to account 2225, "Provisions for depreciation and replacement of operated plant leased from others."

(f) The accounting for the retirement of improvements and replacements of leased plant made by the lessee shall be as provided in § 35.1-6.

(g) Upon termination of a lease and transfer of the plant to the lessor, the accounting by the lessor (if a wire-telegraph or an ocean-cable carrier) for improvements and replacements of the leased plant which were made by the lessee shall be as follows:

The plant accounts shall be so adjusted as to include the original cost of the plant returned at the termination of the lease, including the original cost of improvements and replacements made by the lessee, and (as so adjusted) shall be appropriately classified in conformity with § 35.1-1 Account 1515, "Allowance for depreciation—Wire-telegraph and ocean-cable plant," and account 1520, "Allowance for amortization—Wire-telegraph and ocean-cable plant," shall be so adjusted as to include the required allowances for depreciation and amortization of such plant. The difference between (1) the net amount of the foregoing adjustments and (2) the amount of any settlement with the lessee with respect to such plant, shall be charged to account 1999, "Other deferred charges," or credited to account 2399, "Other deferred credits," as appropriate. Full particulars relating to the difference so recorded with respect to each leasing agreement, together with a plan for the disposition thereof, shall be immediately submitted to the Commission for consideration and approval.

(h) Each carrier, as lessee, shall maintain memorandum accounts entirely independent of these accounts, in which are recorded the cost of, and related allowances with respect to, plant placed under its exclusive control by a leasing agreement and the subsequent retirements of such plant while under the control of the carrier. Separate memorandum accounts shall be maintained for each leasing agreement. The records supporting the memorandum accounts shall be maintained in the same manner and detail as those relating to owned operated plant.

§ 35.1-6 *Additions, retirements, and replacements of operated plant.* (a) To the end that the operated plant accounts shall at all times disclose the cost of plant in service, the cost of all additions to, and replacements of, operated plant, whether acquired by construction, purchase, or otherwise, shall be charged (except as provided in pars. (e) and (g) of this section) to the appropriate plant accounts. The cost of plant retired, whether replaced or not, shall be credited (except as provided in pars. (f) and

(g) of this section) to the account or accounts in which such cost stands charged.

(b) When any item of operated plant is retired from service for any reason, the amounts in the plant accounts applicable to that item shall be credited thereto, and the retirement entry shall cite the original entry in which was recorded the cost of the item retired, by name and page of, or other definite identification of, book or other record in which the entry was made; except that when such entry cannot be identified or is not available, or if it is impracticable to determine the cost of any item due to the relatively large number of items or the small cost thereof, the amount shall be estimated with due allowance for any differences in size and character, and that fact shall be stated in the retirement entry. The records supporting retirement entries shall show also the aggregate quantity, in units of measure ordinarily used by the carrier, of each type of retirement unit retired, and the basis used in determining the cost when estimates are used.

(c) For the purpose of avoiding undue refinement, in accounting for retirements and replacements of depreciable operated plant such property shall be considered as consisting of (1) retirement units and (2) minor items. (See particularly § 35.1-6-1.)

(d) The cost of any retirement unit retired (whether replaced or not) shall be credited to the appropriate plant account. Except as provided in paragraphs (j) and (k) of this section, the entire amount of such cost shall be charged to account 1515, "Allowance for depreciation—Wire-telegraph and ocean-cable plant."

(e) When minor items that did not previously exist are added to operated plant, the cost thereof shall be treated as a plant acquisition if a substantial addition results. Otherwise, the cost of such items shall be included in the appropriate maintenance-expense account.

(f) When a minor item is retired and not replaced, it shall be accounted for as if it were a retirement unit, except that if the cost of such retired item will be accounted for by its inclusion in the retirement unit of which it is a part when such unit is retired, no separate credit to the plant account is required at the date of retirement.

(g) When a minor item of operated plant is replaced independently of the retirement unit of which it forms a part or with which it is associated, the cost of replacement shall be charged to the account appropriate for the cost of maintenance of the plant with which it is associated, except that, if the replacement effects a substantial betterment (the primary aim of which is to make the plant affected more useful, more efficient, of greater durability, or of greater capacity), that part of the in-place cost of the item installed that is in excess of the cost of the item retired shall be charged to the appropriate operated plant account.

(h) The cost of land retired shall be credited to the appropriate land account. If the cost of the land is in-

cludible in account 11, "Land used for right of way," its retirement shall be accounted for as provided in paragraphs (c), (d), and (e) of this section. If the cost of the land is includible in account 12, "Land used for building sites," or account 13, "Land used for other operations," its retirement shall be accounted for as provided in paragraph (j) of this section, or as provided for in § 35.1-7, as appropriate.

(i) The accounting for franchises, patent rights, leaseholds, and other intangibles retired shall be as provided in paragraph (d) of account 1520, "Allowance for amortization—Wire-telegraph and ocean-cable plant." The accounting for the retirement of amounts included in account 85, "Research and development," shall be as provided in the text of that account.

(j) When operated plant is sold, conveyed, or transferred to another person by sale, merger, consolidation, or otherwise, the amount of the consideration received therefor shall be credited to account 92, "Plant sold—Undistributed credits," and further accounted for as follows:

(1) The applicable amounts included in account 1935, "Preliminary survey and investigation charges," shall be transferred to account 92, "Plant sold—Undistributed credits," and the amounts of commissions and other expenses of making the sale shall be charged to that account.

(2) The cost of the property sold or transferred, including amounts in account 1510, "Plant-acquisition adjustments," that are applicable to such plant, shall be credited to the appropriate plant accounts and charged to account 92, "Plant sold—Undistributed credits."

(3) The amounts (estimated if not known) carried with respect to such operated plant in account 1515, "Allowance for depreciation—Wire-telegraph and ocean-cable plant," account 1520, "Allowance for amortization—Wire-telegraph and ocean-cable plant," account 2315, "Advances for construction," and, if approved by the Commission, account 2515, "Contributions of plant," shall be charged to the respective accounts and credited to account 92, "Plant sold—Undistributed credits."

(4) The amount remaining in account 92 applicable to such plant upon the completion of the foregoing entries shall be transferred to account 6110, "Extraordinary current income credits," or account 6120, "Extraordinary current income charges," as appropriate.

(k) Upon termination of a lease and transfer of the plant to the lessor, the cost of improvements and replacements made by the lessee to plant leased from others shall be credited to the plant accounts of the lessee in which they stand charged. The amounts applicable to such plant in account 1515, "Allowance for depreciation—Wire-telegraph and ocean-cable plant," and account 1520, "Allowance for amortization—Wire-telegraph and ocean-cable plant," shall be cleared from those accounts. The difference between the amounts of the foregoing charges and credits shall be charged or credited, as appropriate, to



account 2225, "Provisions for depreciation and replacement of operated plant leased from others." The amount of any settlement with the lessor with respect to such plant shall be charged or credited, as appropriate, to account 2225. The balances then remaining in account 2225 and in account 2230, "Leased operated plant retired," with respect to each such expired lease shall be disposed of in such manner as the Commission may approve or direct.

(1) If, after performing the accounting provided in the foregoing paragraphs of this section and in § 35.04-3, a credit balance remains, because of underestimating net salvage value or for any other reason, in the portion of any depreciation-allowance or amortization-allowance account assignable to the plant retired, the portion of such balance applicable to the calendar year in which the plant is retired shall be charged to that allowance account and credited to the operating-revenue deduction or other account originally charged with the estimated amount of current depreciation or amortization. The remainder of such balance shall be cleared from the allowance account as provided in § 35.03-13.

NOTE: The cost of valuations, inventories, and appraisals in connection with a contemplated sale of plant shall be charged to account 1935, "Preliminary survey and investigation charges."

§ 35.1-7 *Transfers of plant.* (a) When plant is transferred from one class of communication service to another, the transfer shall be accounted for by trans-

ferring the book cost thereof to the appropriate accounts, and likewise any related amounts in the allowance-for-depreciation and allowance-for-amortization accounts shall be transferred to the appropriate allowance accounts.

(b) When depreciable operated plant is transferred to noncarrier operations, the transfer shall be accounted for by crediting the appropriate plant accounts and charging account 1515, "Allowance for depreciation—Wire-telegraph and ocean-cable plant," with the cost of the plant transferred. Account 1515 shall then be credited and account 1610, "Miscellaneous physical property," shall be charged with the estimated fair value, not in excess of cost, of the plant transferred. Any balance in the depreciation-allowance account relating to such transferred property shall be disposed of as provided in paragraph (1) of § 35.1-6, § 35.03-13, or paragraph (c) of § 35.04-2, as appropriate.

§ 35.1-8 *Continuous property-record required.* (a) Not later than January 1, 1943, each carrier shall begin the preparation of a continuous property-record relating to property of the classes represented in the balance-sheet accounts under the caption "Communication plant," and in account 1610, "Miscellaneous physical property." The record shall be completed not later than June 30, 1946, with respect to property as at December 31, 1942, and with respect to the changes effected therein between the dates of January 1, 1943, and December 31, 1945, provided, however, that such data shall not be used by the carrier in

its permanent records until the approval by the Commission of a plan (and list of property units) and other details of a continuous property-record procedure to be submitted in compliance with the provisions of paragraph (b) of this section.

(b) Not later than June 30, 1943, each carrier shall submit to the Commission, for consideration and approval, a complete plan of methods to be used in the compilation of the continuous property-record, the installation and maintenance of which are prescribed in paragraph (a) of this section. The plan shall include a list of the property units proposed for use, classified to conform with the operated plant accounts prescribed in this system of accounts, and shall include material lists for assemblies, together with the quantity-unit designation applicable to each property unit and to the integral or associated parts thereof. A narrative statement shall accompany the lists of proposed units, describing in detail the content and method of maintenance of all forms and other records which are designed for use in compiling the continuous property-record, to the end that a ready analysis with respect to the sufficiency thereof may be made.

(c) The record shall be arranged in conformity with the operated plant accounts prescribed in this system of accounts. It shall be compiled on the basis of original cost and shall contain such detailed description and classification of the property units as will permit ready verification.

§ 35.1-99 *Contemplated form of plant statement.* (See § 35.03-9.)

## WIRE-TELEGRAPH AND OCEAN-CABLE PLANT

Account No.	Particulars	Wire-telegraph plant					Ocean-cable plant					Total wire-telegraph and ocean-cable plant
		Operated plant			Plant held for future communication use (1400)	Total	Operated plant			Plant held for future communication use (1400)	Total	
		In carrier's service (1000)	Leased to others (1100)	Leased from others—Improvements and replacements (1200)			In carrier's service (1000)	Leased to others (1100)	Leased from others—Improvements and replacements (1200)			
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
	<i>Real estate</i>	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>
11	Land used for right of way.....	(1)										
12	Land used for building sites.....		(2)									
13	Land used for other operations.....			(3)								
14	Land improvements.....				(4)							
15	Buildings.....											
	Total.....											
	<i>Outside communication lines</i>											
21	Poles.....											
22	Aerial wire.....											
23	Aerial cable.....											
24	Underground cable.....						(5)					
25	Buried cable.....							(6)				
26	Submarine cable.....								(7)			
27	House cable.....											
28	Underground conduit.....											
29	Pneumatic tubes.....											
31	Ocean cable.....									(8)		
	Total.....											
	<i>Inside communication plant</i>											
41	Message transmitting and receiving equipment.....											
42	Repeater and terminal equipment.....											
43	Switchboards and distributing frames.....											
44	Pneumatic-tube and conveyer equipment.....											
45	Power equipment.....											
46	Messenger call-circuit equipment.....											
47	Time-service equipment.....											
48	Ticker and commercial news service equipment.....											
49	Office cable and conduit.....											

<sup>1</sup> to <sup>8</sup>, inclusive: The accounts represented, if appropriate, at the 8 respective points bearing these symbols shall be numbered, for example, T-1011, T-1112, T-1213, T-1414, C-1024, C-1125, C-1226, and C-1431, respectively.



## WIRE-TELEGRAPH AND OCEAN-CABLE PLANT—Continued

Account No.	Particulars	Wire-telegraph plant					Ocean-cable plant					Total wire-telegraph and ocean-cable plant
		Operated plant			Plant held for future communication use (1400)	Total	Operated plant			Plant held for future communication use (1400)	Total	
		In carrier's service (1000)	Leased to others (1100)	Leased from others—Improvements and replacements (1200)			In carrier's service (1000)	Leased to others (1100)	Leased from others—Improvements and replacements (1200)			
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
	<i>Inside communication plant—Continued</i>	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>
51	Equipment furnished customers.....											
59	Other inside communication plant.....											
	Total.....											
	<i>Office and messenger equipment</i>											
61	Furniture and office appliances.....											
65	Messenger uniforms.....											
69	Other office and messenger equipment.....											
	Total.....											
	<i>Work equipment</i>											
71	Vehicles.....											
72	Shop equipment.....											
73	Store and warehouse equipment.....											
74	Tools and implements.....											
75	Floating equipment.....											
76	Railway equipment.....											
77	Emergency facilities.....											
78	Laboratory equipment.....											
	Total.....											
	<i>Intangibles</i>											
81	Organization.....											
82	Franchises.....											
83	Patent rights.....											
84	Leaseholds.....											
85	Research and development.....											
89	Other intangibles.....											
	Total.....											
	Total classified plant.....											
91	Add: Plant acquired—Undistributed charges.....											
92	Deduct: Plant sold—Undistributed credits.....											
	Grand total.....											

## PRESCRIBED ACCOUNTS

NOTE: Number to the right of the decimal point is the account number.

*Real Estate*

§ 35.11 *Land used for right of way.* This account shall include the cost of land used in wire-telegraph and ocean-cable services for the location of poles, towers, wires, cables, conduits, cable huts, cable houses, and similar operated plant where title to the land is vested in the accounting carrier. (See also §§ 35.84 and 35.4150.)

NOTE: When land is acquired in excess of that required for wire-telegraph and ocean-cable services or is acquired without a definite plan for its use in such services, its cost shall be included in account 1610, "Miscellaneous physical property," except that the cost of land acquired for use in telephone or radiotelegraph services shall be included in account 1530, "Telephone and radio-telegraph plant."

## ITEMS

(See § 35.03-12)

Assessments for the construction of public improvements.  
Clearing or defending title against claims relating to a period prior to the date of purchase.  
Commissions and fees to brokers, agents, and others.

Condemnation proceedings, including court costs and special counsel fees.

Conveyancer and notarial fees.

Examination and registration of titles.

Payments to vendors.

Relocating property of others in the acquisition of land.

Taxes assumed on land, applicable to a period prior to the date of acquisition.

Voiding leases to secure possession of land acquired.

§ 35.12 *Land used for building sites.*

(a) This account shall include the cost of land occupied by buildings used in wire-telegraph and ocean-cable services where title to the land is vested in the accounting carrier. (See particularly §§ 35.84 and 35.4150; also the note and the list of items in § 35.11.)

(b) When improved land is acquired the cost shall be fairly apportioned among the accounts appropriate for the land, the land improvements, and the buildings. If the plan of acquisition contemplates the removal of any improvements (including buildings), the total cost of the land and the property to be removed shall be accounted for as the cost of the land, and the net salvage value of the property removed shall be deducted from the cost of the land.

§ 35.13 *Land used for other operations.* (a) This account shall include the cost of land used in wire-telegraph

and ocean-cable services for material, equipment, and other storage yards and for other purposes (except right of way and building sites) where title to the land is vested in the accounting carrier. (See particularly §§ 35.84 and 35.4150; also the note and the list of items in § 35.11.)

(b) When improved land is acquired the cost shall be fairly apportioned among the accounts appropriate for the land, the land improvements, and the buildings. If the plan of acquisition contemplates the removal of any improvements (including buildings), the total cost of the land and the property to be removed shall be accounted for as the cost of the land and the net salvage value of the property removed shall be deducted from the cost of the land.

§ 35.14 *Land improvements.* This account shall include the cost of improvements (except buildings) made or acquired by the carrier on land used in wire-telegraph and ocean-cable services where title to such improvements is vested in the accounting carrier. (See particularly § 35.1-5; also §§ 35.11, 35.12, 35.13, and 35.15.)

## ITEMS

(See § 35.03-12)

Fences.  
Hedges.



Lawns.  
Outdoor sprinkling systems.  
Retaining walls. (See also § 35.15.)  
Roads.  
Shrubs.  
Sidewalks.  
Swimming pools, outdoor.  
Tennis courts.  
Trees.  
Yard-lighting equipment.

§ 35.15 *Buildings.* (a) This account shall include the cost of buildings used in wire-telegraph and ocean-cable services (except cable huts or cable houses), including all fixtures permanently attached to and made a part of buildings and which cannot be removed therefrom without cutting into the walls, ceilings, or floors, or without in some way impairing the buildings.

(b) Amounts includible in this account shall include the cost of the building foundations and structures, costs incident to the construction or purchase of buildings and to securing possession and title, and the cost of fixtures, machinery, appurtenances, and appliances installed as parts of buildings or used exclusively or predominantly in the operation of the buildings and not specifically includible in other operated plant accounts.

NOTE A: This account shall not include the cost of any equipment, apparatus, or wiring used predominantly for generating or controlling electricity for the operation of the communication system.

NOTE B: The cost of cable huts or cable houses and the equipment contained therein shall be included in account 23, "Aerial cable," account 24, "Underground cable," account 25, "Buried cable," account 26, "Submarine cable," or account 31, "Ocean cable," as appropriate.

## ITEMS

(See § 35.03-12)

Awnings.  
Boilers, furnaces, fixtures, and machinery for heating, lighting, and ventilating.  
Cable vaults and conduits constructed as part of the building.  
Commissions and fees to brokers, agents, architects, and others.  
Door checks and door stops.  
Drainage and sewerage, inside piping and equipment.  
Electric wiring.  
Elevators.  
Fire-extinguisher systems.  
Garages, shops, and stables.  
General and other office buildings.  
Grading, excavating, and preparing grounds for buildings, including the laying out of grounds after construction.  
Linoleum and similar floor covering, excluding carpets and rugs.  
Motors and generators.  
Partitions, excluding movable.  
Piers and foundations for machinery constructed as a permanent part of a building.  
Platforms, storage or loading.  
Power board (where predominantly used for building power).  
Refrigeration systems.  
Retaining walls (erected in connection with buildings).  
Screens, door and window.  
Sheds.  
Signs—permanent, attached to buildings.  
Sprinkling systems.  
Storm doors and windows.  
Taxes assumed on buildings, applicable to the period prior to the date of acquisition.  
Vesting leases to secure possession of buildings acquired.  
Water, steam, and gas pipes.  
Water-supply systems.  
Window shades and ventilators.

## Outside Communication Lines

§ 35.21 *Poles.* This account shall include the cost in place of poles and special fixtures, crossarms, and appurtenances used in the construction of supporting structures for aerial plant, used in wire-telegraph and ocean-cable services.

## ITEMS

(See § 35.03-12)

Anchor.  
A and H fixtures.  
Bolts.  
Braces.  
Bridge fixtures.  
Cable arms.  
Clearing routes and trimming trees, except maintenance of previous clearings. (See also par. (a) (3) of § 35.41-7.)  
Crossarms.  
Extension arms.  
Guard arms.  
Guy clamps.  
Guy wire or strand.  
Masts.  
Painting, treating, gaining, roofing, shaving, and stenciling poles.  
Permits and privileges for construction. (See particularly par. (c) (6) of § 35.1-3; also § 35.82.)  
Pins, wood.  
Poles.  
Pole steps.  
River-crossing and long-span fixtures.  
Strain insulators.  
Towers.

§ 35.22 *Aerial wire.* (a) This account shall include the cost in place of aerial wire, insulators, loading coils, and appurtenances used in the construction of such plant for wire-telegraph and ocean-cable services.

(b) Where connection is made to aerial cable, underground cable, buried cable, submarine cable, or ocean cable, this account shall include the cost of aerial wire to the point where the aerial wire connects to the terminal or to the bridge wires leading into the terminal.

(c) Where connection is made to inside wiring, this account shall include the cost of aerial wire to the point where the aerial wire connects to the office protector or to the inside wire.

(d) This account shall include also the entire cost of underground dips, irrespective of the type of construction, employing less than 350 trench feet of conduit or less than 350 feet (including the vertical runs on the poles) of buried cable.

NOTE A: The cost of terminals (including bridge wires) between aerial wire and cable shall be included in the account appropriate for the cost of the cable.

NOTE B: The cost of office protectors shall be included in the account appropriate for the inside plant with which they are associated.

NOTE C: The cost of underground dips 350 feet or more in length shall be included in the account appropriate or the type of plant employed.

## ITEMS

(See § 35.03-12)

Building brackets and rings.  
Distributing wire.  
Ground wire, clamps, and rods.  
Insulators and thimbles.  
Loading coils and cases therefor.  
Permits and privileges for construction. (See particularly par. (c) (6) of § 35.1-3; also § 35.82.)  
Pins, steel.

Pole brackets.  
Protectors (except office protectors) and arresters.  
Repeating coils.  
Sleeves.  
Tie wires.  
Transposition brackets.  
Transposition of the circuits in initial construction work and any additions resulting from transposing or retransposing existing circuits.  
Wire.

§ 35.23 *Aerial cable.* (a) This account shall include the cost in place of aerial cable (including cable attached to the outside walls of buildings), suspension therefor, cable terminals, pressure contactor-terminals, terminal huts or houses, loading coils, and appurtenances used in the construction of such plant for wire-telegraph and ocean-cable services.

(b) Where connection is made to aerial wire, this account shall include the cost of the aerial cable and the cost of the terminal in place, including bridge wires (if any), to the point where the aerial wires connect to the aerial-wire side of the terminal or to the bridge wires leading from the terminal.

(c) Where connection is made to underground cable, buried cable, submarine cable, house cable, or ocean cable through a terminal, this account shall include the cost of aerial cable to the first pot-head splice on the aerial side of the terminal. Where such connection is made directly to the terminal without a stub or a pot-head, this account shall include the cost of the aerial cable to the point of connection to the terminal. Where such connection is made directly, by means of a splice, this account shall include the cost of aerial cable to the splice.

(d) Where connection is made to inside equipment in an office, this account shall include the cost of aerial cable to the point of connection to the main frame, or to the switchboard or terminal in an office where no main frame is used.

(e) This account shall include also the entire cost of underground dips, irrespective of the type of construction, employing less than 350 trench feet of conduit or less than 350 feet (including the vertical runs on the poles) of buried cable.

NOTE A: The cost of terminals (including stubs and pot-heads) and splices between aerial cable and underground cable, buried cable, submarine cable, house cable, or ocean cable shall be included in the account appropriate for the cost of the cable with which the aerial cable connects.

NOTE B: The cost of underground dips 350 feet or more in length shall be included in the account appropriate for the type of plant employed.

## ITEMS

(See § 35.03-12)

Bonds and grounds.  
Cable—block, feeder, main, subsidiary.  
Cable clamps.  
Cable huts or houses (including contained equipment).  
Cable rings.  
Cable terminals or boxes.  
Cross-connection wires and fuses installed in the first equipment for service of cable terminals or boxes.  
Fuse boxes.  
Loading coils, building-out condensers, carrier-line filters, and cases therefor.



Main-frame-terminating cable extending to outside aerial cable.

Negative returns.

Permits and privileges for construction. (See particularly par. (c) (6) of § 35.1-3; also § 35.82.)

Pole seats and balconies.

Pressure contactor-terminals.

Protectors (except office protectors) and arresters.

Safety straps.

Sleeves.

Strand, suspension.

Tree guards.

Trolley and other guards.

§ 35.24 *Underground cable.* (a) This account shall include the cost in place of underground cable, installed in conduit that is reusable in place for other underground cable, together with associated cable terminals, pressure contactor-terminals, terminal huts or houses, loading coils, and appurtenances used in the construction of such plant for wire-telegraph and ocean-cable services.

(b) Where connection is made to aerial wire, this account shall include the cost of the underground cable and the cost of the terminal in place, including bridle wires (if any), to the point where the aerial wires connect to the aerial-wire side of the terminal or to the bridle wires leading from the terminal.

(c) Where connection is made to aerial cable or buried cable through a terminal, this account shall include the cost of underground cable, the cost of the terminal (including stubs and potheads) in place, and the cost of the first pothead splice on the aerial-cable or buried-cable side of the terminal; where such connection is made directly, by means of a splice, this account shall include the cost of the splice.

(d) Where connection is made to submarine cable, house cable, or ocean cable through a terminal, this account shall include the cost of underground cable to the first pothead splice on the underground side of the terminal. Where such connection is made directly to the terminal without a stub or a pothead, this account shall include the cost of the underground cable to the point of connection to the terminal. Where such connection is made directly, by means of a splice, this account shall include the cost of underground cable to the splice.

(e) Where connection is made to inside equipment in an office, this account shall include the cost of underground cable to the point of connection to the main frame (or to the switchboard or terminal, in an office where no main frame is used), including the cost of any cross-connecting frame between the main frame and the cable entrance.

(f) This account shall include also the cost of underground cable used in underground dips in connection with aerial wire or aerial cable when the total length of the conduit employed is 350 trench feet or more.

NOTE A: The cost of terminals (including stubs and potheads) and splices between underground cable and submarine cable, ocean cable, or house cable shall be included in the account appropriate for the cost of the cable with which the underground cable connects.

NOTE B: The cost of underground cable used in underground dips employing less

than 350 trench feet of conduit shall be included in account 22, "Aerial wire," or account 23, "Aerial cable," as appropriate.

#### ITEMS

(See § 35.03-12)

Bonds and grounds.

Cable—feeder, main, subsidiary.

Cable huts or houses (including contained equipment).

Cable terminals or boxes.

Cross-connection wires and fuses installed in the first equipment for service of cable terminals or boxes.

Electrolysis surveys made in the course of installing cable.

Fuse boxes.

Loading coils, building-out condensers, carrier-line filters, and cases therefor.

Main-frame-terminating cable extending to outside underground cable.

Negative returns.

Permits and privileges for construction. (See particularly par. (c) (6) of § 35.1-3; also § 35.82.)

Pressure contactor-terminals.

Protectors (except office protectors) and arresters.

Sleeves.

Splicing boxes.

Strand, suspension.

§ 35.25 *Buried cable.* (a) This account shall include the cost in place of buried cable, including the protective covering therefor, manholes, splicing boxes, cable terminals, terminal houses or huts, pressure contactor-terminals, loading coils, and appurtenances used in the construction of such plant for wire-telegraph and ocean-cable services.

(b) Where connection is made to aerial wire, this account shall include the cost of the buried cable and the cost of the terminal in place, including bridle wires (if any), to the point where the aerial wires connect to the aerial-wire side of the terminal or to the bridle wires leading from the terminal.

(c) Where connection is made to aerial cable through a terminal, this account shall include the cost of the terminal (including stubs and potheads) in place and the cost of the first pothead splice on the aerial-cable side of the terminal; where such connection is made directly, by means of a splice, this account shall include the cost of the splice.

(d) Where connection is made to underground cable, submarine cable, house cable, or ocean cable through a terminal, this account shall include the cost of buried cable to the first pothead splice on the buried-cable side of the terminal. Where such connection is made directly to the terminal without a stub or a pothead, this account shall include the cost of the buried cable to the point of connection to the terminal. Where such connection is made directly by means of a splice, this account shall include the cost of buried cable to the splice.

(e) Where connection is made to inside equipment in an office, this account shall include the cost of buried cable to the point of connection to the main frame (or to the switchboard or terminal in an office where no main frame is used), including the cost of any cross-connecting frame between the main frame and the cable entrance.

(f) This account shall include also the cost of buried cable used in underground dips in connection with aerial wire or

aerial cable when the total length of the dip (including the vertical runs on the poles) is 350 feet or more.

NOTE A: The cost of terminals (including stubs and potheads (and splices between buried cable and underground cable, submarine cable, house cable, or ocean cable shall be included in the account appropriate for the cost of the cable to which the buried cable connects.

NOTE B: The cost of buried cable used in underground dips employing less than 350 feet of cable (including the vertical runs on the poles) shall be included in account 22, "Aerial wire," or account 23, "Aerial cable," as appropriate.

#### ITEMS

(See § 35.03-12)

Cable—feeder, main, subsidiary.

Cable huts or houses (including contained equipment).

Cable terminals or boxes.

Cross-connection wires and fuses installed in the first equipment for service of cable terminals or boxes.

Loading coils, building-out condensers, carrier-line filters, and cases therefor.

Main-frame-terminating cable extending to buried cable.

Negative returns.

Pedestals.

Permits and privileges for construction. (See particularly par. (c) (6) of § 35.1-3; also § 35.82.)

Pressure contactor-terminals.

Protective covering for buried cable, not reusable in place of other cable, and the cost of manholes and similar items designed specifically for use in such construction.

Protectors (except office protectors) and arresters.

Sleeves.

Splicing boxes.

Trenches—opening and closing in initial buried-cable construction work.

§ 35.26 *Submarine cable.* (a) This account shall include the cost in place of submarine cable (other than trans-oceanic-type cable (together with associated cable terminals, pressure contactor-terminals, terminal huts or houses, loading coils, and appurtenances used in the construction of such plant for wire-telegraph and ocean-cable services.

(b) Where connection is made to aerial wire, this account shall include the cost of the submarine cable and the cost of the terminal in place, including bridle wires (if any), to the point where the aerial wires connect to the aerial-wire side of the terminal or to the bridle wires leading from the terminal.

(c) Where connection is made to aerial cable, underground cable, or buried cable through a terminal, this account shall include the cost of the terminal (including stubs and potheads) in place and the cost of the first pothead splice on the aerial, underground, or buried-cable side of the terminal. Where such connection is made directly by means of a splice, this account shall include the cost of the splice.

#### ITEMS

(See § 35.03-12)

Anchoring chains.

Cable—feeder, main.

Cable huts or houses (including contained equipment).

Cable terminals or boxes.

Loading coils, building-out condensers, carrier-line filters, and cases therefor.

Permits and privileges for construction. (See particularly paragraph (c) (6) of § 35.1-3; also § 35.82.)



Pressure contactor-terminals.  
Protectors and arresters.  
Sleeves.

§ 35.27 *House cable.* (a) This account shall include the cost in place of house cable (i. e., inside cable between the termini of outside cable and the terminals provided as a part of communication-equipment assemblies) together with associated cable terminals, conduit or other protective covering, and appurtenances used in the construction and installation of such plant for the origination and distribution of wire-telegraph and ocean-cable services to customers.

(b) Where connection is made to other outside cable through a terminal, this account shall include the cost of the terminal (including stubs and pot-heads) in place, and the cost of the first pothead splice on the aerial, underground, or buried-cable side of the terminal. Where such connection is made directly, by means of a splice, this account shall include the cost of the splice.

(c) This account shall include also the cost of the terminals connected to house cables for distribution service to customers.

#### ITEMS

(See § 35.03-12)

Cable.  
Cable stubs.  
Cable terminals or boxes.  
Conduit or other mechanical protection.  
Cross-connection wires and fuses installed in the first equipment for service of cable terminals or boxes.  
Fuse boxes.  
Permits and privileges for construction. (See particularly paragraph (c) (6) of § 35.1-3; also § 35.82.)  
Protectors and arresters.  
Sleeves.  
Strand, suspension.  
Straps and clamps.

§ 35.28 *Underground conduit.* (a) This account shall include the cost in place of tile, pipe, and other conduit, whether underground, in tunnels, or on bridges, and the cost of manholes, handholes, service boxes, and appurtenances used in the construction of such plant for wire-telegraph and ocean-cable services, whether the line of conduit is used for cables, for pneumatic tubes, or for both cables and tubes.

(b) This account shall include also the cost of conduit used in underground dips in connection with aerial wire or aerial cable when the length of the conduit so used is 350 trench feet or more.

NOTE A: The cost of protective covering for buried cable, not reusable in place for other cable, and the cost of trenching, manholes, and similar items provided specifically for use in such construction, shall be included in account 25, "Buried cable."

NOTE B: The cost of protective covering for pneumatic tubes other than conduit, where such covering is not reusable in place for other tubes or for cables, and the cost of trenching, manholes, and similar items provided specifically for use in such construction, shall be included in account 29, "Pneumatic tubes." Wood boxing for tube protection shall not be considered as conduit.

#### ITEMS

(See § 35.03-12)

Cable guards.  
Cable racks.

Conduits.  
Manholes, handholes, and service boxes.  
Opening trench and repaving.  
Permits and privileges for construction. (See particularly par. (c) (6) of § 35.1-3; also § 35.82.)  
Pumping out and cleaning manholes, handholes, and ducts in initial underground conduit construction work.  
Riser pipe.

§ 35.29 *Pneumatic tubes.* (a) This account shall include the cost in place of outside pneumatic tubes, including joints, sleeves, flanges, and other items used in the construction of such plant for wire-telegraph and ocean-cable services, to a point immediately inside the building wall.

(b) This account shall also include the cost of protective covering for pneumatic tubes, other than conduit, where such covering is not reusable in place for other tubes or for cables, and the cost of trenching, manholes, and similar items provided specifically for use in such construction. (See particularly § 35.28.)

NOTE: Wood boxing for tube protection shall not be considered as conduit.

#### ITEMS

(See § 35.03-12)

Bends.  
Drainage bonds.  
Expansion joints.  
Flange couplings.  
Handholes (only when used exclusively for pneumatic tubes in connection with protective covering other than conduit).  
Insulating joints.  
Manholes (only when used exclusively for pneumatic tubes in connection with protective covering other than conduit).  
Opening trench and repaving.  
Permits and privileges for construction. (See particularly paragraph (c) (6) of § 35.1-3; also § 35.82.)  
Protective covering other than conduit.  
Sleeves.  
Tubes.

§ 35.31 *Ocean cable.* This account shall include the cost in place of trans-oceanic-type cable, together with associated cable terminals, sea earths, terminal huts or houses and their contained equipment, and appurtenances used in the construction of such plant for ocean-cable service, including the cost of splicing ocean cables to other outside communication plant.

#### ITEMS

(See § 35.03-12)

Cable.  
Cable houses or huts, including equipment therein.  
Cable terminals or boxes.  
Loading coils, building-out condensers, carrier-line filters, and cases therefor.  
Permits and privileges for construction. (See particularly paragraph (c) (6) of § 35.1-3; also § 35.82.)  
Pressure contactor-terminals.  
Protectors and arresters.  
Sea earths.  
Sleeves.  
Trenching.

#### Inside Communication Plant

§ 35.41 *Message transmitting and receiving equipment.* (a) This account shall include the cost in place of operating equipment installed in offices of carriers for use in the transmission and reception of message traffic in wire-telegraph and ocean-cable services.

(b) Equipment the cost of which is includible in this account includes Morse equipment, telephone equipment, automatic telegraph equipment, and associated intercommunicating and testing and adjusting equipment; also the items of circuit terminating and repeater equipment which are installed as integral parts of operating assemblies, and appurtenances used in the construction and installation thereof.

(c) The cost of associated interior wiring, cable, conduit, and power wiring shall be included in this account only to the points of connection with the terminals of the office cable and the power-distribution cable. (See particularly §§ 35.45 and 35.49.)

NOTE: The cost of operating equipment installed on customers' premises shall be included in account 51, "Equipment furnished customers."

#### ITEMS

(See § 35.03-12)

Booths.  
Channel extension units or panels.  
Channel repeater units.  
Distributors.  
Duplex printer sets, including duplex or induction-neutralizing equipment, when inherently part of sets.  
Equipment tables, racks, or frames.  
Facsimile sets.  
Installation of way-circuit selectored equipment.  
Instruments and panels in above assemblies.  
Morse sets.  
Multiplex sets, including duplex or induction-neutralizing equipment, when inherently part of the set.  
Number stamps (when part of an assembly).  
Operating positions of any type.  
Original installations of tools and gages.  
Perforators.  
Printers.  
Reperforator-switching office equipment.  
Reperforators.  
Syphon recorders.  
Telephone stations.  
Testing equipment.  
Translator units.  
Transmitters.  
Transmitter distributors.  
Work tables.

§ 35.42 *Repeater and terminal equipment.* (a) This account shall include the cost in place of repeater and terminal equipment installed in offices of carriers for use in wire-telegraph and ocean-cable services, including equipment for repeater and terminating line wire ground return circuits, metallic circuits, and carrier circuits, together with the appurtenances used in the construction and installation of the assemblies.

(b) The cost of associated interior wiring, cable, conduit, and power wiring shall be included in this account only to the points of connection with the terminals of the office cable and the power-distribution cable. (See particularly §§ 35.45 and 35.49.)

#### ITEMS

(See § 35.03-12)

Amplifiers.  
Carrier bays or terminals.  
Carrier or telephone repeaters.  
Duplex repeaters.  
Duplex terminal sets, including induction-neutralizing equipment when inherently part of the set.  
Equipment tables, racks, or frames.  
Frequency generators.



Instruments and panels in such assemblies.  
Magnifiers.  
Regenerative repeaters.  
Single line repeaters.  
Single line terminals.  
Testing equipment.  
Voice-frequency ringer, sending or receiving.

**§ 35.43 Switchboards and distributing frames.** (a) This account shall include the cost in place of switchboards and distributing frames located in offices of carriers for use in wire-telegraph and ocean-cable services, including main-line and local-loop switchboards, and distributing frames used for terminating lines and local loops and for interconnecting such lines, local loops, and repeater and terminal equipment.

(b) This account shall include also the cost of office switchboards and distributing frames in which the circuit terminals for telegraph-message service are combined with various combinations of terminal equipment for other services such as ticker service, time service, and messenger-call service, including in each case protection equipment, anti-induction equipment, internal wiring, associated testing and adjusting equipment, and the appurtenances used in the construction and installation of such assemblies.

(c) The cost of associated interior wiring, cable, conduit, and power wiring shall be included in this account only to the points of connection with the terminals of office cable, power-distribution cable, or outside communication lines. (See §§ 35.21 to 35.31, inclusive; also §§ 35.15, 35.45, and 35.49.)

## ITEMS

(See § 35.03-12)

Channel switchboard panels.  
Concentration boards.  
Distributing frames or racks.  
Induction-neutralizing equipment.  
Intermediate switchboard frames.  
Line-testing equipment.  
Panels or units or relay racks, complete with equipment.  
Protector groups.  
Sections of switchboard.  
Sets of simplex or composite coils, or accessories.  
Telephone sets (used on switchboards).  
Turrets.

**§ 35.44 Pneumatic-tube and conveyer equipment.** (a) This account shall include the cost in place of interior pneumatic tubes, tube senders, outlets, blowers, compressors, air connections, and associated equipment, and appurtenances used in the construction and installation of such plant in offices of carriers for use in wire-telegraph and ocean-cable services, including such plant from a point immediately inside the building wall. (See also § 35.29.)

(b) This account shall include also the cost in place of belt conveyers, belt-supporting structures, driving motors, and other message-conveyer equipment, together with the appurtenances used in the construction and installation of such plant in offices of carriers.

(c) The cost of associated interior wiring, cable, conduit, and power wiring shall be included in this account only to the points of connection with the terminals of the office cable and the power-distribution cable. (See particularly §§ 35.45 and 35.49.)

## ITEMS

(See § 35.03-12)

Belt frameworks.  
Belts.  
Blowers.  
Compressors.  
Conveyor systems.  
Inside tubing.  
Motors.  
Rollers.  
Sending or receiving terminals.  
Timers.  
Tube ends—complete with manifolds, sending inlets, receiving terminals, driving equipment, and blowers or compressors.  
Tube pairs—complete with manifolds, reversing valves, sending inlets, and receiving terminals.

**§ 35.45 Power equipment.** (a) This account shall include the cost in place of power generating, converting, storage, and distribution equipment in or adjacent to the carrier's offices, serving as, or associated with, the prime source of power and used exclusively or predominantly in the operation of the communication system in wire-telegraph and ocean-cable services.

(b) Equipment the cost of which is includible in this account includes assemblies of power equipment such as storage batteries, motor-generator and engine-generator sets, rectifiers, distribution boards, zone cabinets, transformers, interior power wiring, cable, and conduit, and appurtenances used in the construction and installation of the assemblies.

**NOTE A:** The cost of inexpensive items of power equipment such as small motor generators, rectifiers, and batteries included as integral parts of assemblies of communication equipment shall be included in the operated plant account appropriate for the cost of the assemblies of which such inexpensive items form a part.

**NOTE B:** The cost of the initial installation of dry-cell batteries shall be included in the accounts appropriate for the operated plant with which they are associated, and the cost of replacement shall be included in the account appropriate for the maintenance of such plant.

**NOTE C:** The cost of power equipment installed and used exclusively or predominantly for building service, such as for lighting and for elevator operation shall be included in account 15, "Buildings."

## ITEMS

(See § 35.03-12)

Battery racks or cabinets.  
Chargers.  
Circuit breakers.  
Compensators.  
Engine-generator sets.  
Engines.  
Feeders or entrance wiring.  
Fuse panels.  
Generators.  
Interior wiring, cable, and conduit.  
Meters.  
Motors.  
Motor-generator sets.  
Power factor correction equipment.  
Power plants.  
Power zone cabinets.  
Rectifiers.  
Starters.  
Storage batteries.  
Switchboards.  
Transformers.

**§ 35.46 Messenger call-circuit equipment.** (a) This account shall include the cost in place of call-circuit cabinets, switchboards, annunciators, registers,

call boxes, associated testing and adjusting equipment, and appurtenances used in the construction and installation of assemblies of messenger call-circuit equipment located in offices of carriers for use in wire-telegraph and ocean-cable services.

(b) The cost of associated interior wiring, cable, conduit, and power wiring shall be included in this account only to the points of connection with the terminals of the office cable and the power-distribution cable. (See particularly §§ 35.45 and 35.49.)

**NOTE:** The cost of switchboards composed of combination panels for time and messenger call-circuits shall be included in account 47, "Time-service equipment."

## ITEMS

(See § 35.03-12)

Annunciator units.  
Buzzer systems.  
Call boxes, with or without associated wiring and accessories.  
Call-circuit cabinets.  
Line or test units.  
Registers.  
Sections of call-circuit switchboards.

**§ 35.47 Time-service equipment.** (a) This account shall include the cost in place of master clocks, control clocks, synchronizing-circuit equipment, time-service control cabinets and switchboards, time repeaters, switchboards composed of combination panels for time and messenger call-circuits, and other central office time-service equipment, together with associated testing and adjusting equipment, and appurtenances used in the construction and installation of the assemblies, located in offices of carriers for use in furnishing synchronizing and other signals on circuits to carriers' and customers' clocks, and to furnish other similar services.

(b) The cost of associated interior wiring, cable, conduit, and power wiring shall be included in this account only to the points of connection with the terminals of the office cable and the power-distribution cable. (See particularly §§ 35.45 and 35.49.)

**NOTE A:** Time stamps and office clocks (other than master and control clocks) installed in offices of carriers shall be included in account 61, "Furniture and office appliances."

**NOTE B:** The cost of clocks installed on customers' premises shall be included in account 51, "Equipment furnished customers."

## ITEMS

(See § 35.03-12)

Cabinets.  
Control clocks.  
Control panels.  
Control relays and resistance units.  
Master clocks.  
Master or secondary relays.  
Resistance panels.  
Sections of switchboard.  
Time repeaters.

**§ 35.48 Ticker and commercial news service equipment.** (a) This account shall include the cost in place of equipment installed in offices of carriers for use exclusively in the dissemination of commercial news services to carriers' and customers' offices.

(b) Equipment the cost of which is includible in this account includes assem-



blies of transmitting, receiving, repeating, and terminal equipment for operation of ticker and other circuits, associated testing and adjusting equipment, and appurtenances used in the construction and installation thereof.

(c) The cost of associated interior wiring, cable, conduit, and power wiring shall be included in this account only to the points of connection with the terminals of the office cable and the power-distribution cable. (See particularly §§ 35.45 and 35.49.)

NOTE: The cost of tickers and other commercial news service equipment installed on customers' premises shall be included in account 51, "Equipment furnished customers."

## ITEMS

(See § 35.03-12)

Auxiliary switchboards.

CND repeaters.

Sound-proof covers.

Stands.

Tables of equipment, such as perforators and transmitter distributors, relays, repeater relays, and tickers.

Tickers.

Transmitters.

§ 35.49 *Office cable and conduit.* This account shall include the cost in place of cable, conduit, cable racks and hangers, terminal cabinets, and associated appurtenances used in the construction and installation of the signal wiring in carriers' offices (1) from the distributing frame or other point of connection with outside wire or cable to the terminals provided for making connections with the wiring of assemblies of communication equipment and (2) between assemblies of communication equipment.

NOTE A: The cost of power cabling and associated appurtenances used for power distribution shall be included in account 45, "Power equipment," or account 15, "Buildings," as appropriate.

NOTE B: The cost of house cable leading to equipment in branch offices in office buildings shall be included in account 27, "House cable."

## ITEMS

(See § 35.03-12)

Cable.

Cable racks.

Conduit.

Hangers.

Terminal cabinets.

Wire.

§ 35.51 *Equipment furnished customers.* (a) This account shall include the cost in place of message transmitting and receiving, ticker, stock and commercial news, time-service, pneumatic-tube, messenger call-circuit, telephone, and other inside communication equipment located in offices of customers, together with the appurtenances used in the construction and installation thereof.

(b) The cost of associated interior wiring, cable, conduit, and power wiring shall be included in this account only to the points of connection with the terminals of the house cable, or other outside plant if no house cable is used, and the power-distribution outlets.

(c) Separate subaccounts shall be maintained to show the respective costs of each of the several classes of equipment furnished customers. These classes shall correspond to those repre-

sented in §§ 35.41 to 35.48, inclusive, and § 35.59, respectively, or correspond to the classes most nearly comparable therewith that are furnished customers under the carrier's operating practices.

## ITEMS

(See § 35.03-12)

Buzzer systems.

Call boxes.

Facsimile sets.

Morse sets.

Motor-generator sets.

Pneumatic-tube terminals.

Printer sets.

Rectifiers.

Switchboards.

Telephone sets.

Tickers.

Time-service equipment.

§ 35.59 *Other inside communication plant.* (a) This account shall include the cost in place of inside communication equipment installed in offices of carriers for use in wire-telegraph and ocean-cable services and not includible in other operated plant accounts.

(b) The cost of associated interior wiring, cable, conduit, and power wiring shall be included in this account only to the points of connection with terminals of the office cable and the power-distribution cable. (See particularly §§ 35.45 and 35.49.)

*Office and Messenger Equipment*

§ 35.61 *Furniture and office appliances.* This account shall include the cost in place of furniture and office appliances located in operating offices, general offices, storerooms, shops, laboratories, and similar premises of the carrier, for use in wire-telegraph and ocean-cable services.

NOTE A: The cost of furniture and office equipment located on, and constituting a part of, vehicles, floating equipment, or railway equipment shall be included in account 71, "Vehicles," account 75, "Floating equipment," or account 76, "Railway equipment," as appropriate.

NOTE B: The cost of furniture and office equipment constituting component parts of assemblies of operating equipment shall be included in the account appropriate for the cost of the equipment with which it is associated.

NOTE C: The cost of fixtures permanently attached to and made a part of buildings shall be included in account 15, "Buildings."

## ITEMS

(See § 35.03-12)

Accounting machines.

Adding and listing machines.

Addressing machines and equipment.

Air-conditioning units (not part of a building).

Beds, cots, or couches.

Benches, messenger.

Bicycle racks.

Bookcases.

Card-punching, card-sorting, or card-tabulating machines.

Carpets, rugs, or other floor coverings.

Cash registers.

Chairs.

Clocks.

Computing machines.

Counters.

Date stamps.

Davenport.

Desks.

Dictionaries or code books.

Dictographs or other interoffice communication equipment.

Dishes.

Drafting-room equipment.

Duplicating machines.

Electric fans.

Filing cabinets.

Floor-scrubbing and polishing machines.

Lockers (single or multiple).

Messenger dressing booths.

Multigraphs.

Partitions, movable.

Pianos.

Refrigerators.

Safes.

Signs (illuminated or non-illuminated).

Sorting racks.

Stationery cabinets.

Steel shelves.

Storage cabinets, shelves, or racks (except those in shops or storerooms).

Tables.

Time stamps.

Typewriters.

Uniform repairing and cleaning equipment.

Water coolers.

§ 35.65 *Messenger uniforms.* (a) This account shall include the cost (if in excess of \$1,000) of messenger uniforms owned by the carrier as at the effective date of this system of accounts.

(b) If at any time a change in operation involves a substantial increase in the number of uniforms required for service, this account shall be charged with amounts representing the cost, at weighted average prices, of such additional uniforms.

(c) If at any time a change in operation involves a substantial decrease in the number of uniforms required for service, this account shall be credited with amounts representing the cost, at weighted average prices, of the uniforms retired and the amount of such retirements shall be equitably apportioned between account 4231, "Messenger-uniform expense," and the subdivision of account 1515, "Allowance for depreciation—Wire-telegraph and ocean-cable plant," in which the estimated accrued depreciation on uniforms in service at the effective date of this system of accounts was recorded.

NOTE A: Except as provided in paragraph (b) of this section, the cost of uniforms purchased subsequent to the effective date of this system of accounts shall be included in account 4231, "Messenger-uniform expense."

NOTE B: The allowance for depreciation applicable to the messenger uniforms the cost of which is includible in this account as at the effective date of this system of accounts, shall be segregated in a separate sub-account of account 1515, and shall be held (except as provided in par. (c) of this section) as a permanent offset against the amounts in this account.

## ITEMS

(See § 35.03-12)

Belts.

Blouses.

Breeches.

Caps and hats.

Coats.

Neckties.

Overcoats.

Puttees.

Raincoats and raincap.

Shirts.

Skirts.

Trousers.

§ 35.69 *Other office and messenger equipment.* This account shall include the cost in place of office and messenger



equipment used in wire-telegraph and ocean-cable services and not includible in other accounts.

#### Work Equipment

§ 35.71 *Vehicles.* This account shall include the cost of transportation equipment not includible in other operated plant accounts, together with work equipment, tools, and appurtenances constituting parts of, or permanently attached to, such equipment, used in wire-telegraph and ocean-cable services.

NOTE: The cost of material, supplies, tools, implements, and work equipment not specifically associated with or used in the operation of vehicles but merely transported thereon to the point of use shall be included in the appropriate material, plant, maintenance, clearing, or other account. Equipment for communication service, even if permanently attached to vehicles, shall be included in the account appropriate for such communication equipment.

#### ITEMS

(See § 35.03-12)

Automobiles.  
Cable-splitters' carts.  
Camp wagons.  
Draft and pack animals.  
Hand trucks and carts.  
Harness.  
Mobile telegraph offices.  
Motorcycles.  
Saddles.  
Trailers.  
Trucks and tractors (including attached work equipment, such as earth-boring machines, pumps, winches, and similar items).  
Wagons.

§ 35.72 *Shop equipment.* (a) This account shall include the cost in place of equipment located in general repair shops, pole-treating plants, car shops, garages, and similar shops used for constructing, assembling, and repairing plant used in wire-telegraph and ocean-cable services.

(b) Equipment the cost of which is includible in this account includes electric generators, motors, and other power equipment, together with foundations, settings, belting, drives, and other appurtenances constituting parts of shop-equipment assemblies; also the tools and other implements especially provided for and used in conjunction with such equipment, and the items of furniture ordinarily constituting parts of such assemblies.

NOTE A: The cost of shop equipment located on floating equipment, railway equipment, or vehicles shall be included in the account appropriate for the cost of the equipment on which it is located.

NOTE B: The cost of foundations and of fixtures which cannot be removed from buildings without cutting into the walls, ceilings, or floors, or without in some way impairing the buildings, shall be included in account 15, "Buildings."

#### ITEMS

(See § 35.03-12)

Air compressors.  
Blowers.  
Boring mills.  
Compressed-air tools.  
Cranes.  
Derricks.  
Engines.  
Forges.  
Gasoline pumps and tanks.

Generators, electric and gas.  
Hand trucks.  
Lathes.  
Milling machines.  
Motors.  
Oil pumps and tanks.  
Planers.  
Pole-treating equipment.  
Power drills.  
Power hammers.  
Power loaders.  
Presses.  
Pumps.  
Racks or shelving, movable.  
Storage cabinets.  
Tools and implements provided for shops.  
Winches.  
Work benches.

§ 35.73 *Store and warehouse equipment.* This account shall include the cost of equipment and appurtenances located in storerooms, warehouses, and material yards for the receiving, storing, handling, packing, and loading for shipment of materials and supplies, used in wire-telegraph and ocean-cable services.

NOTE A: The cost of store and warehouse equipment located on floating equipment, railway equipment, or vehicles shall be included in the account appropriate for the cost of the equipment on which it is located.

NOTE B: The cost of fixtures or shelving permanently attached to and constituting a part of buildings shall be included in account 15, "Buildings."

#### ITEMS

(See § 35.03-12)

Barrows.  
Bins, portable.  
Cabinets, movable.  
Conveyors.  
Counters, movable.  
Cranes.  
Gasoline pumps.  
Gasoline tanks.  
Hand trucks and carts.  
Hoists.  
Ladders.  
Oil pumps.  
Oil tanks.  
Scales.  
Shelving, movable.  
Skids.  
Tools provided for warehouses.  
Trucks.  
Wire-measuring machines.

§ 35.74 *Tools and implements.* This account shall include the cost of general tools, implements, and appurtenances used in the construction and maintenance of plant for use in wire-telegraph and ocean-cable services and not specifically includible in other operated plant accounts.

NOTE A: The cost of tools carried as supplies unissued shall be included in account 1795, "Material and supplies."

NOTE B: The cost of hand and other portable tools that have relatively small value or short life shall be accounted for as provided in paragraph (d) of § 35.1-1.

NOTE C: Tools and implements used primarily in conjunction with inside communication equipment, floating equipment, railway equipment, vehicles, shops, stores and warehouses, or laboratories shall be included in the account appropriate for the cost of the equipment with which they are associated.

#### ITEMS

(See § 35.03-12)

Air compressors, mobile.  
Back-filling machines.  
Blowers, power.  
Compressed-air tools.

Concrete mixers and breakers.  
Cranes, mobile.  
Derricks, mobile.  
Drills and hammers, power.  
Earth-boring machines (not permanently attached to vehicles).  
Forges, portable.  
Hand tools.  
Hand trucks, carts, and barrows.  
Loaders, power.  
Testing equipment, portable.  
Torches.  
Trenching machines.

§ 35.75 *Floating equipment.* (a) This account shall include the cost of ships, launches, barges, and other vessels used for the transportation of employees, materials, and supplies, and for the construction and maintenance of plant, used in wire-telegraph and ocean-cable services.

(b) Equipment the cost of which is includible in this account includes the furnishings, tools, implements, and other appurtenances constituting a part of, specifically associated with, or used in the operation of, such floating equipment.

NOTE: The cost of material, supplies, tools, implements, and work equipment not specifically associated with or used in the operation of floating equipment but merely transported thereon to the point of use shall be included in the appropriate material, plant, maintenance, clearing, or other account. Equipment for communication service, even if permanently attached to floating equipment, shall be included in the account appropriate for such communication equipment.

#### ITEMS

(See § 35.03-12)

Barges.	Rigging.
Boats.	Ships.
Boilers.	Shop equipment.
Cranes.	Store and warehouse equipment.
Engines.	Testing and adjusting equipment.
Furniture.	Tools and implements.
Hoists.	Winches.
Launches.	
Office equipment.	
Radio equipment.	

§ 35.76 *Railway equipment.* (a) This account shall include the cost of officers' cars, camp cars, hand cars, motor cars, pole cars, push cars, velocipedes, and other railway equipment used for the transportation of employees, materials, and supplies, and for the construction and maintenance of plant, used in wire-telegraph and ocean-cable services.

(b) Equipment the cost of which is includible in this account includes assemblies complete with all component parts, including furniture and other furnishings, office appliances, tools, implements, and other work equipment, and appurtenances attached to, permanently associated with, or especially provided for use in conjunction with, railway equipment.

NOTE: The cost of material, supplies, tools, implements, and work equipment not specifically associated with or used in the operation of railway equipment but merely transported thereon to the point of use shall be included in the appropriate material, plant, maintenance, clearing, or other account. Equipment for communication service, even if permanently attached to railway equipment, shall be included in the account appropriate for such communication equipment.



## ITEMS

(See § 35.03-12)

Cars.  
Car bodies or tanks.  
Car underframes.  
Cranes.  
Derricks.  
Furniture.  
Hand cars.  
Push cars.  
Railway cars.  
Shop equipment.  
Store and warehouse equipment.  
Testing equipment.  
Tools necessary for the maintenance and operation of the railway equipment.  
Velocipedes.

§ 35.77 *Emergency facilities.* (a) This account shall include the cost of emergency cable, portable transmission equipment, portable engine-generator sets, and other portable equipment used for furnishing temporary or emergency wire-telegraph and ocean-cable services while plant is under construction or repair or is out of service awaiting replacement or repair. The cost of such equipment shall be charged to this account when first provided for emergency service and shall be credited hereto when the equipment is ultimately retired or is permanently placed in regular communication service.

(b) Statistical records supporting the entries in this account shall be so maintained as to show for each emergency facility (1) the cost, (2) the type and quantity of plant, and (3) the duration of each period of use between the date of original entry in this account and the date of retirement by way of withdrawal from emergency service.

NOTE: When emergency facilities are permanently placed in regular service the cost of such plant shall be credited to this account and charged to the account appropriate for the cost of other plant involving similar use.

## ITEMS

(See § 35.03-12)

Cable, emergency.  
Engine generator sets, portable.  
Transmission equipment, portable.

§ 35.78 *Laboratory equipment.* (a) This account shall include the cost in place of laboratory and other equipment used for research, development, testing, and other general laboratory purposes for wire-telegraph and ocean-cable services.

(b) Equipment the cost of which is includible in this account comprises assemblies of power equipment and other inside communication equipment complete with driving mechanisms, shop and store room equipment, tools, implements, and portable testing equipment regularly assigned to laboratory use.

## ITEMS

(See § 35.03-12)

Amplifiers.  
Balances and scales.  
Barometers.  
Blowers.  
Bridges, electrical measuring.  
Cabinets, laboratory.  
Cable, artificial.  
Condensers.  
Dynamometers.  
Filters, electric.  
Furnaces, electric.  
Gages.

Galvanometers.  
Glassware—beakers, burettes, etc.  
Grinders and polishers.  
Hoods, laboratory.  
Indicators, frequency.  
Inductances.  
Insulation testing sets.  
Machine tools.  
Magnifiers, selenium.  
Meters, electric—various.  
Microscopes.  
Networks.  
Oscillators.  
Oscillographs (including cathode rays).  
Photographic equipment.  
Piping (including conduit).  
Potential unit assemblies.  
Potentiometers. (Checking and calibrating sets.)  
Power equipment.  
Rheostats.  
Still.  
Tables, laboratory.  
Testing equipment.  
Testing machines.  
Thermocouples.  
Tools.  
Vibrators.

## Intangibles

§ 35.81 *Organization.* This account shall include the cost of organizing and incorporating the accounting carrier until it is ready to function as a going concern; also similar elements of cost in connection with the extension of the term of incorporation when the initial organization costs have been written off.

NOTE A: Discounts upon securities issued or assumed, debt expense, and stock expense shall be excluded from this account and accounted for as provided in §§ 35.10-13 and 35.10-14.

NOTE B: This account shall not include the cost of preparing and filing papers in connection with the extension of the term of incorporation unless the first organization costs have been written off.

NOTE C: This account shall not include any organization costs of companies retiring as a result of mergers, consolidations, or reorganizations.

## ITEMS

(See § 35.03-12)

Cost of obtaining certificates authorizing the carrier to engage in the public communication business.  
Fees and expenses of incorporation.  
Fees and expenses of mergers or consolidations.  
Office and other expenses incident to organizing the carrier.

§ 35.82 *Franchises.* (a) This account shall include the cost of franchises, consents, and certificates running in perpetuity or for a specified term of more than 1 year, issued to the carrier by governmental agencies, States, or other political entities as authorization for conducting a communications business.

(b) Among the items that are includible in this account are the cost of franchises acquired by assignment, the cost of cable-landing rights, and the cost of plant, material, supplies, and equipment given as the initial consideration for franchises.

NOTE A: Amortization of amounts included in this account shall be accounted for as provided in § 35.1520.

NOTE B: The cost of franchises running for 1 year or less after acquisition shall be included in account 4341, "Franchise requirements," or, if such franchises extend beyond the current calendar year, the proper pro-

portion of their respective costs shall be included in account 1899, "Other prepayments."

NOTE C: Franchises acquired at small cost may be included in account 4341, irrespective of their term of life.

NOTE D: Franchise taxes payable annually or more frequently shall be included in account 4932, "Other taxes—Operating."

## ITEMS

(See § 35.03-12)

Amounts, other than those includible in account 81, "Organization," paid to a national government, a State, or any political entity as a condition precedent to engaging in communication business.

Cost of franchises acquired by assignment.  
Cost of plant, material, supplies, and equipment given as the initial consideration for franchises.

Election costs assumed by the carrier for government consent.

§ 35.83 *Patent rights.* (a) This account shall include the cost of patent rights, having a life of more than 1 year from the date of acquisition, acquired for use in connection with the carrier's wire-telegraph and ocean-cable operations.

(b) Among the items that are includible in this account are the costs incident to defending title, fees of patent attorneys, filing and registration fees, research and development expenses directly assignable, and other expenses for legal and other services incident to the acquiring of patent rights or to the registration of a patent.

NOTE A: Amortization of amounts included in this account shall be accounted for as provided in section 35.1520.

NOTE B: The cost of developing items that are intended to be patented or of improving items that have been patented shall be initially included in account 9011, "Research and development clearing account," or other appropriate account. (See particularly § 35.03-10.)

NOTE C: The cost of patent rights having an estimated service life of 1 year or less or such rights acquired at a relatively small cost shall be included in account 4399, "Other general expenses."

§ 35.84 *Leaseholds.* (a) This account shall include the cost of leaseholds, easements, and similar rights, having a life term of more than 1 year from the date of acquisition, in land and other property acquired for use in wire-telegraph and ocean-cable services.

(b) Costs includible in this account include conveyancer and notary fees, costs of relocating property of others, special counsel and other fees, taxes assumed on leased property applicable to a period prior to the date of the lease, and other costs incurred in connection with the acquisition of leaseholds.

NOTE A: Amortization of amounts included in this account shall be accounted for as provided in section 35.1520.

NOTE B: The cost of permits for the construction of operated plant when the expected period of occupancy under such permits does not exceed the estimated life of the initial plant installed, shall be included in the account appropriate for the cost of the plant constructed.

NOTE C: Annual or more frequent payments of rent shall be included in account 5205, "Rent for lease of operated plant," account 4261, "Rents for operating offices," account 4269, "Rents for other facilities," or



account 4499, "Other administrative expenses," as appropriate.

**§ 35.85 Research and development.**

(a) This account shall include the cost of research and development work performed in connection with the construction and operation of plant, and in connection with the systems and methods used and available for use by the carrier in wire-telegraph and ocean-cable services where the cost of such work is not directly assignable to definite operated plant or assemblies of equipment, is not includible in other operated plant accounts, and is not includible in current operating-expense or other accounts.

(b) Amounts includible in this account comprise the pay and expenses of engineers engaged in research and development, the cost of models, the allocable portion of expenses for supervision, clerical forces, materials, supplies, rents, and other expenses incurred in maintaining general laboratories, and amounts cleared from account 9011, "Research and development clearing account," that are includible under the provisions of paragraph (a) of this section.

(c) Allowances for amortization of amounts includible in this account shall be established in conformity with the provisions of § 35.1520, in amounts sufficient to extinguish any item includible in this account not later than 20 years following the calendar year in which that item was first introduced into this account.

(d) The amount of the appropriate amortization charges for any year may be equally distributed over the 12 months of that year as charges to account 4915, "Amortization—Intangible operated plant," and credits to account 1520, "Allowance for amortization—Wire-telegraph and ocean-cable plant."

(e) As at the end of the calendar year in which the final credits to account 1520 have been made with respect to any item included herein, account 1520 shall be charged and this account shall be credited with the amount of the item (e. g., an amortization period of 15 years with respect to an amount charged to this account during 1941 would require retiring such amount by charging it to account 1520 at the end of the year 1956, at which time the accumulated amortization credits in that account applicable to the item should be equal to the amount of the item).

NOTE A: The cost of preliminary surveys, plans, and investigations shall be accounted for as provided in § 35.03-10.

NOTE B: The cost of research and development work performed in connection with specific construction projects shall be included in account 1300, "Plant under construction," as provided in paragraph (c) (12) of § 35.1-3.

NOTE C: Amounts included in account 9011, "Research and development clearing account," representing incomplete projects shall be retained therein pending completion, and amounts therein relating to projects abandoned or found unsuccessful shall be charged to account 6120, "Extraordinary current income charges," unless otherwise authorized or directed by the Commission.

NOTE D: That part of the balance in this account which pertains to research and de-

velopment work performed in connection with systems and methods available for use, but not used, by the carrier, shall be classified in balance-sheet account 1400, "Plant held for future communication use." (See particularly columns 6 and 11 of the form of plant statement shown in § 35.1-99.)

**§ 35.89 Other intangibles.** (a) This account shall include the cost of intangibles associated with wire-telegraph and ocean-cable operations that are not provided for elsewhere.

(b) The records supporting the entries in this account shall be so maintained that in the reports to the Commission complete information can be furnished with respect to each of the several amounts included herein.

**Other Plant Accounts**

**§ 35.91 Plant acquired—Undistributed charges.** (a) This account shall be charged temporarily with the acquisition cost of plant acquired by the carrier, under any of the circumstances provided for in § 35.1-2, pending distribution thereof to the appropriate accounts.

(b) Within 90 days from the date of entry herein recording an acquisition, the carrier shall submit to the Commission a statement indicating the approximate date that clearance is contemplated.

**§ 35.92 Plant sold—Undistributed credits.** This account shall be credited temporarily with the selling price of plant, pending distribution thereof to the appropriate accounts. (See particularly paragraph (j) of § 35.1-6.)

**INCOME AND EARNED-SURPLUS ACCOUNTS  
INSTRUCTIONS**

**§ 35.30-1 Purpose of income accounts.** The income accounts are designed to show for each month and each calendar year the amounts of (1) ordinary income, comprising operating revenues, operating-revenue deductions (including operating expenses), other communication income, income from noncommunication sources and deductions from such income, (2) extraordinary income charges and credits, comprising extraordinary gains, losses, and adjustments affecting current income resulting from factors other than operations and substantial adjustments applicable to but not recognized in prior years, and (3) deductions from net income, such as income taxes.

**§ 35.30-2 Income from debt-redemption and other funds.** (a) Interest, dividends, and other income derived from funds classified in accounts 1630 to 1659, inclusive, shall be credited to account 5135, "Income from debt-redemption and other funds."

(b) When the income is required by contractual or other provisions to be held in the fund from which the income arises, an amount equal to the income shall be included in the fund to which it is applicable.

(c) When income derived from these funds is required to be retained in the fund and the fund is represented by a reserve, amounts equal to such income shall be charged to account 8310, "Contractual appropriations of earned sur-

plus," or account 8320, "Miscellaneous appropriations of earned surplus," as appropriate, and credited to the appropriate reserve accounts. (See also §§ 35.2610 and 35.2620.)

**§ 35.30-3 Rents includible in income accounts.** (a) Rentals which the carrier receives from others for operated plant the cost of which is includible in account 1100, "Operated plant leased to others," shall be credited to account 5010, "Income from operated plant leased to others."

NOTE: Rentals from operated plant the cost of which is includible in accounts 1000, "Operated plant in carrier's service," and 1200, "Improvements and replacements of operated plant leased from others," shall be credited to the appropriate nontransmission-revenue account. (See §§ 35.3410 to 35.3499, and 35.3810 to 35.3899, inclusive.)

(b) Taxes, depreciation, amortization, uncollectible rentals, and maintenance and other expenses applicable to plant, the income from which is includible in account 5010, "Income from operated plant leased to others," shall be charged to that account by the lessor.

(c) Rents paid by the carrier for the exclusive use of substantially complete operating systems or operating units shall be charged to account 5205, "Rent for lease of operated plant." When taxes, depreciation, amortization, or operating expenses applicable to the leased plant are initially accounted for by the lessor, such amounts shall be charged to the appropriate tax, depreciation, amortization, or operating-expense account by the lessee and credited to account 5205. The lessor shall inform the lessee of the appropriate distribution of such charges.

(d) Taxes, depreciation, amortization, and maintenance and other expenses applicable to leased plant initially accounted for by the lessee shall be charged by the lessee to the appropriate tax, depreciation, amortization, maintenance, or other account.

**§ 35.30-4 Disposition of balances in income accounts.** The net balance of the income accounts (after the deductions provided for in accounts 7000 to 7099, inclusive) shall be transferred to account 8110, "Balance transferred from income accounts," at the end of each calendar year.

**§ 35.30-5 Purpose of earned-surplus accounts.** The earned-surplus accounts are designed to show the changes relating to earned surplus, during each calendar year, resulting from (1) the net amount of profit or loss during the period as reflected in the income accounts, (2) accounting adjustments (usually confined to changes in the stated capital of the corporation or to transactions in its own capital stock) not attributable to income under the provisions of this system of accounts, (3) appropriations of earned surplus for specific purposes, and (4) appropriations for dividends.

**§ 35.30-6 Disposition of balances in earned-surplus accounts.** The net balance of the earned-surplus accounts shall be transferred to account 2699, "Unappropriated earned surplus," at the end of each calendar year.



**§ 35.30-99 Contemplated form of income and earned-surplus statement.**  
(See § 35.03-9.)

**INCOME AND EARNED-SURPLUS STATEMENT**

INCOME	
Ordinary Income—Communication	
Account No.	Particulars
3000	Operating revenues..... \$.....
	(Operating-revenue deductions) \$.....
4000	Operating expenses..... \$.....
4010	Depreciation..... \$.....
4015	Amortization—Intangible operated plant..... \$.....
4020	Amortization of plant-acquisition adjustments..... \$.....
4025	Extraordinary plant losses..... \$.....
4031	Social security taxes—Operating..... \$.....
4032	Other taxes—Operating..... \$.....
4035	Uncollectible revenues..... \$.....
4045	Telephone and radiotelegraph operating-revenue deductions..... \$.....
4050	Revenue-contract payments..... \$.....
4099	Other operating-revenue deductions..... \$.....
	(Other Communication Income) \$.....
5010	Income from operated plant leased to others..... \$.....
5015	Income from telephone and radiotelegraph plant leased to others..... \$.....
5020	Profit from general services, licenses, and royalties..... \$.....
5089	Income from foreign operations..... \$.....
5099	Other communication income..... \$.....
	Operating income..... \$.....
Ordinary Income—Noncommunication	
5110	Income from miscellaneous physical property..... \$.....
5115	Income from merchandising, jobbing, and contracting..... \$.....
5120	Dividend income..... \$.....
5125	Interest income..... \$.....
5135	Income from debt-redemption and other funds..... \$.....
5140	Gain or loss on foreign currency exchange..... \$.....
5199	Other noncommunication income..... \$.....
	Gross ordinary income..... \$.....
Deductions From Ordinary Income	
5205	Rent for lease of operated plant..... \$.....
5210	Interest on long-term debt..... \$.....
5215	Interest on indebtedness to affiliates..... \$.....
5220	Amortization of debt discount..... \$.....
5225	Interest charged to construction—Cr..... \$.....
5230	Amortization of debt premium—Cr..... \$.....
5233	Interest on past-due tax assessments..... \$.....
5235	Other interest charges..... \$.....
5240	Taxes assumed on interest..... \$.....
5245	Amortization of debt expense..... \$.....
5250	Miscellaneous taxes..... \$.....
5255	Amortization of plant-acquisition adjustments..... \$.....
5260	Revenue-contract payments..... \$.....
5299	Other deductions from ordinary income..... \$.....
	Net ordinary income..... \$.....
Extraordinary Income	
6110	Extraordinary current income credits..... \$.....
6120	Extraordinary current income charges..... \$.....
6210	Delayed income credits..... \$.....
6220	Delayed income charges..... \$.....
	Net income accounted for during current period..... \$.....
Deductions From Net Income	
7010	Income taxes..... \$.....
7099	Other deductions from net income..... \$.....
	Balance of net income accounted for during current period transferred to account 8110, "Balance transferred from income accounts"..... \$.....

**INCOME AND EARNED-SURPLUS STATEMENT—Con.**

EARNED SURPLUS	
Account No.	Particulars
2099	Unappropriated earned surplus (at beginning of period)..... \$.....
Earned Surplus—Credits	
8110	Balance transferred from income accounts..... \$.....
8199	Miscellaneous credits to earned surplus..... \$.....
	Total..... \$.....
Earned Surplus—Charges	
8299	Deduct: Miscellaneous charges to earned surplus..... \$.....
	Earned surplus available for reservation or appropriation..... \$.....
8310	Deduct: Contractual appropriations of earned surplus..... \$.....
8315	Earned surplus employed in reacquisition of capital stock..... \$.....
8320	Miscellaneous appropriations of earned surplus..... \$.....
8399	Deduct: Dividend appropriations of earned surplus..... \$.....
2099	Unappropriated earned surplus (at end of period)..... \$.....

**PRESCRIBED ACCOUNTS**

NOTE: Number to the right of the decimal point is the account number.

**INCOME ACCOUNTS**

**Ordinary Income—Communication**

NOTE: See particularly § 35.03-8.

**§ 35.3000 Operating revenues.** This account shall include the total operating revenues shown in the operating-revenue accounts, derived by the carrier during the accounting period from the furnishing of communication service and services incidental thereto.

**OPERATING-REVENUE DEDUCTIONS**

**§ 35.4000 Operating expenses.** This account shall include the total operating expenses, shown in the operating-expense accounts, incurred by the carrier during the accounting period for the maintenance of its wire-telegraph and ocean-cable plant, and for the conducting-operations, general, and administrative expenses incurred in furnishing wire-telegraph and ocean-cable services and services incidental thereto.

**§ 35.4910 Depreciation.** (a) This account shall include the amount of depreciation charges applicable to the accounting period for all classes of operated plant owned by the carrier except such depreciation as is chargeable to clearing accounts, to account 1300, "Plant under construction," and to account 5010, "Income from operated plant leased to others." It shall include also the amount of depreciation charges applicable to the accounting period for all classes of operated plant used but not owned by the carrier, as provided in § 35.30-3. (See also §§ 35.04-1 to 35.04-3, inclusive, and § 35.1-5.)

(b) This account shall be subdivided as follows:

4910:01	Depreciation—Operated plant owned and used.
4910:02	Depreciation—Operated plant leased from others.

(c) The records supporting the entries in this account shall be so maintained as to show separately the amounts applicable to (1) wire-telegraph service and (2) ocean-cable service.

**§ 35.4915 Amortization—Intangible operated plant.** (a) This account shall be charged with the amounts of amortization charges applicable to the accounting period for intangibles (having a terminable life) the cost of which is includible in accounts 82, "Franchises," 83, "Patent rights," 84, "Leaseholds," 85, "Research and development," and 89, "Other intangibles," except such amortization charges as are includible in account 5010, "Income from operated plant leased to others." It shall include also the amounts of amortization charges applicable to the accounting period for such intangibles used but not owned by the carrier. (See § 35.30-3.)

(b) The charges to this account shall be such that the cost of each intangible will be amortized, as evenly as may be, over the period of its benefit to the carrier.

(c) This account shall be subdivided as follows:

4915:01	Amortization—Intangibles owned and used.
4915:02	Amortization—Intangibles leased from others.

**§ 35.4920 Amortization of plant-acquisition adjustments.** (a) This account shall be charged or credited, as the case may be, with such amounts as the Commission may authorize or direct to be included in operating-revenue deductions under a plan to amortize amounts in account 1510, "Plant-acquisition adjustments."

(b) Amounts recorded in this account shall be credited or charged, as the case may be, to account 1520, "Allowance for amortization—Wire-telegraph and ocean-cable plant."

**§ 35.4925 Extraordinary plant losses.** (a) This account shall be charged with amounts representing the unprovided-for loss in service value of plant retired for causes not contemplated in prior allowances for depreciation approved for inclusion herein as provided in § 35.04-4.

(b) The records supporting the entries in this account shall be so maintained as to show separately the amounts applicable to (1) wire-telegraph plant and (2) ocean-cable plant.

**§ 35.4931 Social security taxes—Operating.** This account shall be charged (and account 2175, "Tax accruals," credited) with the amounts for which the carrier becomes liable on its own behalf for taxes, imposed under the Social Security Act and similar State and foreign statutes, that are properly chargeable to wire-telegraph and ocean-cable operations for the accounting period.

NOTE A: The amounts of social security taxes not applicable to wire-telegraph and ocean-cable operations shall be equitably apportioned among the operated plant accounts and account 5250, "Miscellaneous taxes."

NOTE B: Amounts payable on behalf of employees for social security taxes shall be in-



cluded in account 2111, "Liability for tax collections."

**§ 35.4932 Other taxes—Operating.**

(a) This account shall include the amounts of national, State, county, municipal, and other taxes, other than taxes on net income and taxes imposed under the Social Security Act and similar State and foreign statutes, that are properly chargeable to wire-telegraph and ocean-cable operations; including franchise taxes payable annually or more frequently. (See also §§ 35.4931 and 35.7010.)

(b) This account shall be charged and account 2175, "Tax accruals," shall be credited each month with the amount of taxes that are applicable to the month. When it is not possible to determine the exact amount of taxes for the month, the amount shall be estimated and adjustments shall be made as the actual tax levies become known.

(c) When it is necessary to apportion taxes to wire-telegraph and ocean-cable operations, full details as to the methods of, and facts considered in, the apportionment shall be recorded.

(d) Taxes on plant leased from others, the rent for which is includible in account 5205, "Rent for lease of operated plant," shall be charged to this account by the lessee.

(e) The records supporting the entries in this account shall be so maintained as to show the amount of each kind of tax paid to each taxing authority and the basis upon which each charge is made.

**NOTE A:** Taxes assumed by the carrier on interest shall be charged to account 5240, "Taxes assumed on interest."

**NOTE B:** Taxes on nonoperating property the income from which is includible in account 5110, "Income from miscellaneous physical property," shall be charged to account 5250, "Miscellaneous taxes." Taxes on property the income from which is includible in account 5115, "Income from merchandising, jobbing, and contracting," shall also be charged to account 5250.

**NOTE C:** Special assessments for the construction of street and other improvements shall be included in the appropriate plant accounts. Special assessments for the maintenance thereof and special benefit taxes, such as water taxes, shall be included in the appropriate operating-expense accounts.

**NOTE D:** Discounts allowed for payment of taxes before they are due shall be treated as reduction of taxes assessed.

**NOTE E:** The accounting for taxes on plant under construction shall be as provided in paragraph (c) (7) of § 35.1-3.

**NOTE F:** Taxes on plant leased to others, the rental from which is includible in account 5010, "Income from operated plant leased to others," when assumed by the lessor, shall be charged to that account by the lessor. (See particularly § 35.30-3.)

**§ 35.4935 Uncollectible revenues.** (a) This account shall be charged with amounts, due from customers and agents for wire-telegraph and ocean-cable services rendered, which are considered to be uncollectible.

(b) This account may include, in lieu of the amounts of charges prescribed in paragraph (a) of this section, monthly charges based upon estimates to make provision for uncollectible revenues due from customers and agents. Such amounts shall be credited to account 1765, "Allowance for uncollectible receiv-

ables." There shall be recorded full details as to the methods used and the facts considered in estimating the amounts so credited.

(c) This account shall include, in a separate subdivision thereof, credits arising from charges to accounts 2115, "Customers' deposits," and 2155, "Advance billings," that may lawfully be written off as unrefundable because of failure to locate the rightful owner or for some similar reason.

**NOTE:** Uncollectible receivables (or provisions therefor), other than from customers and agents, shall be charged to account 5299, "Other deductions from ordinary income," account 6120, "Extraordinary current income charges," or other appropriate account.

**§ 35.4945 Telephone and radiotelegraph operating-revenue deductions.** This account shall include the amounts of depreciation, amortization, taxes, uncollectible revenues, rents, and maintenance and other expenses incidental to the carrier's telephone and radiotelegraph operations. (See also § 35.03-8.)

**§ 35.4950 Revenue-contract payments.** This account shall include amounts, includible in operating-revenue deductions, that represent payments to common carriers or other persons under the terms of contracts or agreements which provide that such common carriers or other persons shall receive amounts measured by the revenue or traffic of the accounting carrier, although such persons do not participate in the revenue service or transmission of such traffic. (See also § 35.31-3.)

Administrative expenses.  
Depreciation.  
Amortization—Intangible operated plant.  
Amortization of plant-acquisition adjustments.  
Extraordinary plant losses.  
Social security taxes—Operating.  
Other taxes—Operating.  
Uncollectible revenues.  
Telephone and radiotelegraph operating-revenue deductions.  
Revenue-contract payments.  
Other operating-revenue deductions.

**§ 35.4999 Other operating-revenue deductions.** This account shall include amounts representing operating-revenue deductions that are not includible elsewhere.

**OTHER COMMUNICATION INCOME**

**§ 35.5010 Income from operated plant leased to others.** (a) This account shall be credited with the amounts of rentals that have accrued from operated plant comprising substantially complete operating systems or operating units where the lessee has exclusive possession of the plant, whether such amounts are received in cash or are disbursed by the lessee for the account of the lessor as interest on long-term debt, guaranteed dividends on stock, or otherwise.

(b) This account shall be charged with the amounts of taxes, depreciation, amortization, and maintenance and other expenses initially accounted for by the lessor on plant the rental for which is includible in this account. (See particularly § 35.30-3.)

(c) The records supporting the entries in this account shall be so maintained as to show separately the following items applicable to the plant included in each leasing agreement:

**Credits:**

**Rentals.**

Charges (see par. (b) of this section):

Items initially accounted for by the lessor:  
Taxes.  
Depreciation.  
Amortization.  
Maintenance.  
Other expenses.  
Uncollectible rentals.

**NOTE:** Rentals from facilities not constituting substantially complete operating systems or operating units shall be included in the appropriate operating-revenue account.

**§ 35.5015 Income from telephone and radiotelegraph plant leased to others.** This account shall be credited with the amounts of rentals that have accrued from telephone and radiotelegraph plant comprising substantially complete operating systems or operating units where the lessee has exclusive possession thereof. (See particularly par. (b) of § 35.03-8.)

**§ 35.5020 Profit from general services, licenses, and royalties.** This account shall include the amounts of profit realized from services rendered others under license agreements, general service contracts, or other arrangements providing for furnishing of general accounting, engineering, financial, legal, patent, or other general services. (See also § 35.41-6.)

**NOTE:** Minor amounts of profit from such arrangements may be included in account 4317, "General services, licenses, and royalties—Cr."

**§ 35.5089 Income from foreign operations.** (a) This account may include the net amount of income of the carrier when the detailed amounts are required to be stated in terms of foreign currency or in a manner at variance with the requirements of this system of accounts.

(b) A separate subaccount with appropriate title shall be maintained for the amount of such income from each foreign country.

(c) The records supporting the entries in this account shall be so maintained that, in the reports to the Commission, a complete analysis of the transactions in each foreign country may be shown.

(d) Each carrier that elects to use this account shall advise the Commission of that fact at least 60 days before the effective date of this system of accounts. Changes from this elective procedure to the alternative procedure prescribed for domestic income, or vice versa, shall not be made thereafter without submitting to the Commission for its consideration and approval notice of the proposed change at least 90 days before the proposed effective date of such change.

**§ 35.5099 Other communication income.** This account shall include the amounts of communication income not provided for elsewhere.

**Ordinary Income—Noncommunication**

**§ 35.5110 Income from miscellaneous physical property.** (a) This account



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shall include the amounts received and the expenses incurred in connection with the operation of (1) property the investment in which is includible in account 1610, "Miscellaneous physical property," and (2) property of others leased by the carrier for purposes other than communication operations.

(b) The expenses shall include every element of cost (except taxes) incurred in such operations, including depreciation, amortization, insurance, assessments against such property for maintenance of public improvements, an equitable portion of administration expenses, uncollectible rentals, and any other costs incident to the operation of miscellaneous physical property.

NOTE: Taxes applicable to miscellaneous physical property and its operation shall be charged to account 5250, "Miscellaneous taxes."

§ 35.5115 *Income from merchandising, jobbing, and contracting.* (a) This account shall include the amounts received and the expenses (except taxes) incurred in connection with the sale of merchandise, including any amounts accruing to the carrier on jobbing and contracting work performed by its employees.

(b) This account shall be subdivided as follows:

- 5115:01 Income for merchandising, jobbing, and contracting.
- 5115:02 Costs and expenses of merchandising, jobbing, and contracting.

NOTE A: Periodic charges for the use of plant includible in account 1000, "Operated plant in carrier's service," (see particularly the note following account 1100, "Operated plant leased to others") and for installing, maintaining, inspecting, and servicing such plant, shall be included in the appropriate operating-revenue account. (See § 35.31-2.)

NOTE B: Taxes applicable to merchandising, jobbing, and contracting shall be charged to account 5250, "Miscellaneous taxes."

§ 35.5120 *Dividend income.* This account shall include the amounts of income from dividends declared on stocks owned other than dividends on stocks includible in accounts 1630 to 1659, inclusive. (See particularly § 35.5135.)

NOTE: No amounts shall be entered in these accounts representing the value assigned to stock dividends received by the carrier on stocks of other persons. The proceeds realized from the subsequent sale or disposal of the stock received as a dividend, or of the stock with respect to which the dividend was paid, shall be appropriately accounted for, proper credit being given to the investment account for the portion of the book cost assignable to the shares sold or disposed of. Any profit or loss resulting from the transaction shall be credited to account 6110, "Extraordinary current income credits," or charged to account 6120, "Extraordinary current income charges," as appropriate.

§ 35.5125 *Interest income.* (a) This account shall include the amounts of interest income on investments in securities owned (other than securities includible in accounts 1630 to 1659, inclusive), including interest income on investment advances and on other loans, notes, special deposits, and other in-

terest-bearing assets. (See also § 35.5135.)

(b) This account shall be subdivided as follows:

- 5125:01 Interest income on securities.
- 5125:02 Interest income on investment advances.
- 5125:99 Other interest income.

NOTE A: Interest on nominally issued and nominally outstanding long-term debt shall not be included in these accounts.

NOTE B: Interest that has accrued shall not be credited to this account unless its payment is reasonably assured.

§ 35.5135 *Income from debt-redemption and other funds.* (a) This account shall include the amounts of income (whether interest or dividends) accrued on cash, securities issued by other persons, or other assets held in accounts 1630 to 1659, inclusive, and also the amounts of income from securities issued or assumed by the carrier when regarded and treated as actually outstanding under the provisions of paragraph (h) of § 35.10-7. (See also § 35.30-2.)

(b) Unless otherwise required by contractual or other agreement, the expenses, losses, and fees incurred in connection with the operation of each fund shall be charged to this account.

(c) The records supporting the entries in this account shall be so maintained as to show separately the amounts of charges and the amounts of credits applicable to each fund.

§ 35.5140 *Gain or loss on foreign currency exchange.* This account shall be credited or charged, as appropriate, and to the extent outlined in § 35.03-16, with the amounts of gains or losses resulting from transactions involving foreign currency.

§ 35.5199 *Other noncommunication income.* This account shall include the amounts of noncommunication income not provided for elsewhere.

#### Deductions From Ordinary Income

§ 35.5205 *Rent for lease of operated plant.* (a) This account shall be charged with the amounts of rents that have accrued for the exclusive possession by the carrier of operated plant comprising substantially complete operating systems or operating units whether paid to the lessor in cash or disbursed by the lessee for the account of the lessor as interest on long-term debt, guaranteed dividends on stock, or otherwise.

(b) When the lease requires or available data permit such action, this account shall be credited with the amounts of taxes, depreciation, amortization, and maintenance and other expenses initially accounted for by the lessor on plant the rent for which is includible in this account. (See particularly § 35.30-3.)

(c) This account shall be subdivided as follows:

- 5205:01 Rent for identifiable plant.
- 5205:02 Rent for unidentifiable plant.

(d) The records supporting the entries in this account shall be so maintained as to show separately the following items applicable to the plant included in each leasing agreement:

#### Charges:

Rents.

Credits (see par. (b) of this section):

- Items initially accounted for by the lessor:
- Taxes.
- Depreciation.
- Amortization.
- Maintenance.
- Other expenses.

NOTE: Rent for lease of facilities not constituting substantially complete operating systems or operating units shall be included in the appropriate operating-expense account.

§ 35.5210 *Interest on long-term debt.* (a) This account shall include the amounts of interest accrued on outstanding long-term debt issued or assumed by the carrier, the liability for which is included in accounts 2010, "Bonds actually issued," 2025, "Receivers' and trustees' securities," and 2099, "Other long-term debt," including such securities as are regarded and treated as actually outstanding under the provisions of paragraph (h) of § 35.10-7.

(b) The records supporting the entries in this account shall be so maintained as to show the interest accruals on each issue or series of long-term debt.

NOTE: Interest on nominally issued and nominally outstanding long-term debt shall not be included in these accounts.

§ 35.5215 *Interest on indebtedness to affiliates.* (a) This account shall include the amounts of interest accrued on indebtedness to affiliates the liability for which is included in accounts such as account 2030, "Advances from affiliates," and account 2129, "Other payables to affiliates."

(b) The records supporting the entries in this account shall be so maintained as to show to whom the interest is payable, the nature and amount of the principal obligation, and the rate of interest, under the following subdivisions:

- 5215:01 Interest on advances.
- 5215:02 Interest on other payables.

§ 35.5220 *Amortization of debt discount.* This account shall include amounts representing the portion of unamortized discount on outstanding long-term debt that is applicable to the accounting period, determined in accordance with the provisions of paragraph (d) of § 35.10-14.

§ 35.5225 *Interest charged to construction—Cr.* This account shall be credited with the amounts charged to account 1300, "Plant under construction," as provided in paragraph (c) (8) of § 35.1-3.

§ 35.5230 *Amortization of debt premium—Cr.* This account shall include amounts representing the portion of unamortized premium on outstanding long-term debt that is applicable to the accounting period, determined in accordance with the provisions of paragraph (d) of § 35.10-14.

§ 35.5233 *Interest on past-due tax assessments.* This account shall include the amounts of interest charges applicable to the accounting period on tax assessments that are due and unpaid.

§ 35.5235 *Other interest charges.* (a) This account shall include the amounts of interest charges not provided



for elsewhere. Among the items of indebtedness the interest on which is chargeable to this account are (1) past-due assessments for public improvements, (2) claims and judgments, (3) customers' deposits, (4) notes payable on demand or maturing less than 1 year from date of issuance, except notes payable to affiliates, and (5) open accounts, except with affiliates.

(b) The records supporting the entries in this account shall be so maintained as to show the nature and amount of each principal obligation, the rate and amount of interest applicable thereto, and the name of the person to whom payable.

§ 35.5240 *Taxes assumed on interest.* This account shall include the amounts paid to holders of bonds (or other evidences of indebtedness of the carrier), and the amounts paid to governmental agencies in their behalf, with respect to income and other taxes levied against the income from such debt or levied as a tax on ownership of the debt, when such taxes are assumed by the carrier.

§ 35.5245 *Amortization of debt expense.* This account shall include the amounts representing the portion of unamortized debt expense on outstanding long-term debt that is applicable to the accounting period, determined in accordance with the provisions of paragraph (d) of § 35.10-14.

§ 35.5250 *Miscellaneous taxes.* (a) This account shall include the amounts of taxes not provided for elsewhere. Among the items that shall be charged hereto are taxes applicable to miscellaneous physical property and the operation thereof, and taxes applicable to merchandising, jobbing, and contracting.

(b) Amounts charged to this account prior to payment shall be credited to account 2175, "Tax accruals."

§ 35.5255 *Amortization of plant-acquisition adjustments.* (a) This account shall be charged or credited, as the case may be, with such amounts as the Commission may authorize or direct to be included in deductions from ordinary income under a plan to amortize amounts in account 1510, "Plant-acquisition adjustments."

(b) Amounts recorded in this account shall be credited or charged, as the case may be, to account 1520, "Allowance for amortization—Wire-telegraph and ocean-cable plant."

§ 35.5260 *Revenue-contract payments.* This account shall include amounts includible in deductions from ordinary income that represent payments to common carriers or other persons under the terms of contracts or agreements which provide that such common carriers or other persons shall receive amounts measured by the revenue or traffic of the accounting carrier, although such persons do not participate in the revenue services or transmission of such traffic. (See also § 35.31-3.)

§ 35.5299 *Other deductions from ordinary income.* This account shall include deductions from ordinary income not provided for elsewhere. Among the

items that shall be charged to this account are contributions for charitable, social, or community-welfare purposes and membership fees and dues in associations other than those of the carrier itself in associations of communication carriers and those of employees in professional organizations, the amounts of depreciation and amortization on wire-telegraph and ocean-cable plant other than operated plant, and the amounts of uncollectible receivables, or provisions therefor, which are not includible in account 4935, "Uncollectible revenues," or account 6120, "Extraordinary current income charges." (See also § 35.03-7.)

#### Extraordinary Income

§ 35.6110 *Extraordinary current income credits.* This account shall include the amounts of income applicable to the current period from activities other than those usual and ordinary activities of the carrier recognized under the provisions of § 35.3000 and §§ 35.5000 to 35.5199, inclusive.

#### ITEMS

(See § 35.03-12)

Current liabilities written off in accordance with the provisions of paragraph (c) of § 35.10-5.

Forfeitures of amounts deposited with the carrier under options for the sale or lease of property.

Profits derived from the sale of property the cost of which is includible in account 1610, "Miscellaneous physical property."

Profits derived from the reacquisition and resale of securities other than capital stock. Profits derived from the sale of securities of other persons.

Profits derived from the sale of plant. (See also par. (j) of § 35.1-6.)

§ 35.6120 *Extraordinary current income charges.* This account shall include the amounts properly chargeable against income during the current period, occasioned otherwise than by those usual and ordinary activities of the carrier recognized under the provisions of §§ 35.4000 to 35.5099, inclusive, and §§ 35.5200 to 35.5299, inclusive.

#### ITEMS

(See § 35.03-12)

Amounts charged to income to provide for the extinguishment of amounts includible in account 81, "Organization."

Amounts charged to income in recognition of the decline in value of current assets and securities owned. (See also §§ 35.10-2 and 35.10-7.)

Capital-stock expense written off. (See also par. (b) of § 35.10-13.)

Forfeitures of amounts deposited by the carrier under options for the purchase or lease of property.

Inventory, appraisal, and other costs incident to the contemplated acquisition, sale, or lease of property when the projects are abandoned.

Long-term debt expense written off. (See also pars. (d), (e), and (f), of § 35.10-14.)

Losses of funds due to bank failures.

Losses on the sale of plant. (See also par. (j) of § 35.1-6.)

Losses resulting from the sale, destruction, or retirement of property the cost of which is includible in account 1610, "Miscellaneous physical property."

Losses resulting from the reacquisition and resale of securities other than capital stock.

Losses resulting from the sale of securities of other persons.

Penalties and fines paid on account of violations of statutes pertaining to regulation. Uncollectible receivables written off.

§ 35.6210 *Delayed income credits.* This account shall include the amounts of extraordinary and nonrecurring delayed items as provided in § 35.03-13.

§ 35.6220 *Delayed income charges.* This account shall include the amounts of extraordinary and nonrecurring delayed items as provided in § 35.03-13.

#### Deductions From Net Income

§ 35.7010 *Income taxes.* (a) This account shall include the amounts of foreign, Federal, State, and local government taxes on the income of the carrier, including additional assessments of such taxes.

(b) The records supporting the entries in this account shall be so maintained as to show the amounts included herein with respect to each taxing authority.

§ 35.7099 *Other deductions from net income.* This account shall include the amounts of deductions from net income not provided for elsewhere.

#### EARNED-SURPLUS ACCOUNTS

##### Earned Surplus—Credits

§ 35.8110 *Balance transferred from income accounts.* This account shall include the net balance transferred from the income accounts for the current year. (See particularly § 35.30-4.)

§ 35.8199 *Miscellaneous credits to earned surplus.* (a) This account shall include the amount of credits affecting earned surplus not provided for elsewhere.

(b) The records supporting the entries in this account shall be so maintained that an analysis thereof may be shown in the reports to the Commission.

##### Earned Surplus—Charges

§ 35.8299 *Miscellaneous charges to earned surplus.* (a) This account shall include the amounts of charges affecting earned surplus not provided for elsewhere. Among the items that shall be charged hereto are discount on capital stock written off and such charges resulting from the reacquisition and resale of the carrier's capital stock as are provided in § 35.10-9.

(b) The records supporting the entries in this account shall be so maintained that an analysis thereof may be shown in the reports to the Commission.

§ 35.8310 *Contractual appropriations of earned surplus.* (a) This account shall include the amount of earned surplus reserved in accordance with the terms of mortgages, deeds of trust, orders of courts, contracts, or other agreements.

(b) Amounts charged to this account shall be credited to account 2610, "Contractual reserves."

(c) Amounts in account 2610 that are restored to surplus shall be credited to this account.

§ 35.8315 *Earned surplus employed in reacquisition of capital stock.* (a) This account shall be charged and account 2615, "Reserve against impairment of stated capital," shall be credited with the



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book amount of capital stock reacquired by the carrier and not retired.

(b) Upon resale or retirement of capital stock, this account shall be credited and account 2615, "Reserve against impairment of stated capital," shall be charged with the amounts included herein applicable to such stock.

§ 35.8320 *Miscellaneous appropriations of earned surplus.* (a) This account shall include the amount of reservations of earned surplus not provided for elsewhere.

(b) Amounts charged to this account shall be credited to account 2620, "Miscellaneous reserves."

(c) Amounts in account 2620 that are restored to surplus shall be credited to this account.

§ 35.8399 *Dividend appropriations of earned surplus.* (a) This account shall include the amount of earned surplus appropriated for dividends declared on the actually outstanding capital stock of the carrier.

(b) The records supporting the entries in this account shall be so maintained as to show the amount of dividends declared on each class of capital stock. If dividends are not payable in cash, the medium of payment shall be described with sufficient particularity to identify it.

#### OPERATING-REVENUE ACCOUNTS INSTRUCTIONS

§ 35.31-1 *Purpose of operating-revenue accounts.* The operating-revenue accounts are designed to show the carrier's portion of amounts received or receivable for the furnishing of communication service and services incidental thereto. (See also §§ 35.03-8 and 35.03-17.)

§ 35.31-2 *Basis of credits to the operating-revenue accounts.* (a) Credits to the operating-revenue accounts shall be based upon the actual amounts chargeable for services rendered by the carrier.

NOTE A: Corrections of overcharges and of overcollections and payments of collections on behalf of others previously credited to the operating-revenue accounts shall be charged to the account or accounts previously credited.

NOTE B: Authorized refunds and adjustments on account of failures in service shall be charged to account 4281, "Traffic-damage awards."

(b) The appropriate operating-revenue accounts shall be credited with:

(1) Amounts charged for installations, for termination and restoration of service, for inside and outside moves, for instrument changes, and for similar service requirements.

(2) Amounts of initial nonrecurring charges for special or auxiliary equipment furnished in rendering service to a customer, except that charges for the cost of such equipment the ownership of which rests with or will revert to the customer shall be credited to the accounts charged with the cost of such equipment.

(3) Amounts of initial nonrecurring charges for installation of special or auxiliary equipment furnished by a customer.

(4) Amounts of service charges for supplemental or auxiliary equipment furnished in rendering service to a customer.

(5) Amounts collected from users as costs of delivery beyond the free-delivery zones adjacent to terminals of the carrier. (See also note C in § 35.31-3.)

§ 35.31-3 *Divisions of operating revenues.* (a) Amounts representing the carrier's portion of revenues receivable from other communication carriers for participation in the revenue service shall be credited to the appropriate operating-revenue accounts and charged to the account maintained for traffic settlements with the respective carriers, as provided in section 35.03-19.

(b) Amounts payable for participation by others in the revenue service shall be excluded from (or, if previously credited thereto, charged to the appropriate) operating-revenue accounts and credited to the account maintained for traffic settlements with the respective carriers, as provided in § 35.03-19.

NOTE A: The term "participation in the revenue service," as used in this section, does not include terminal services rendered by a carrier acting as agent for another carrier, e. g., it does not include (1) the receipt or delivery of messages wherein a carrier does not participate, with respect to this particular traffic, in other than such terminal services, or, sometimes further in connection therewith, (2) the use of a carrier's employees and facilities in originating and terminating messages at rates or under classifications that are not available to the general public.

NOTE B: Amounts (other than those representing commissions or participation in the revenue service) payable to common carriers or other persons under the terms of contracts or agreements which provide that such common carriers or other persons shall receive amounts measured by revenues or traffic of the accounting carrier, shall be included in account 4950, "Revenue-contract payments," or account 5260, "Revenue-contract payments," as appropriate.

NOTE C: Amounts payable for services performed for the carrier, such as tolls or rental charges, including those collected from users as costs of delivery beyond the free-delivery zones adjacent to the terminals of the carrier, shall be charged to the appropriate operating-expense accounts.

§ 35.31-4 *Services furnished without direct charge.* (a) Amounts representing wire-telegraph and ocean-cable services furnished to a national government, a State, or a political subdivision thereof without direct compensation, in accordance with franchise requirements, shall be charged and credited to the appropriate subdivisions of account 4341, "Franchise requirements."

(b) Records shall be maintained to show amounts representing any other wire-telegraph and ocean-cable services which are carried on especially for the needs of a specific service of general interest and are not open to public correspondence and for which no direct compensation is received.

§ 35.31-5 *Subdivisions of operating-revenue accounts.* Carriers furnishing both wire-telegraph and ocean-cable services shall maintain separate accounts for the operating revenues applicable to each such service.

§ 35.31-99 *Contemplated form of operating-revenue statement.* (See § 35.03-9.)

Account No.	Particulars	Amount of revenue for the year
(a)	(b)	(c)
	<b>WIRE-TELEGRAPH OPERATING REVENUE</b>	
	<i>Wire-telegraph transmission revenues</i>	
3110	Public message revenue.....	\$.....
3115	U. S. government message revenue.....	.....
3125	Press message revenue.....	.....
3130	Money-order message revenue.....	.....
3135	News (CND) service revenue.....	.....
3140	Contract (CAK) message revenue.....	.....
3145	Facsimile or photogram service revenue.....	.....
3155	Telephone service revenue.....	.....
3160	Wire-telegraph revenue on cable and radio messages.....	.....
3199	Other wire-telegraph transmission revenues.....	.....
	Total wire-telegraph transmission revenues.....	\$.....
	<i>Terminal commission revenues</i>	
3350	Terminal commissions.....	\$.....
	<i>Wire-telegraph nontransmission revenues</i>	
3410	Leased-circuit revenue.....	\$.....
3415	Measured-service revenue.....	.....
3420	Other leased-plant revenue.....	.....
3425	Code-registration revenue.....	.....
3430	Errand-service revenue.....	.....
3435	Money-order charges.....	.....
3440	Time-service revenue.....	.....
3499	Other wire-telegraph nontransmission revenues.....	.....
	Total wire-telegraph nontransmission revenues.....	\$.....
	Total wire-telegraph operating revenues.....	\$.....
	<b>OCEAN-CABLE OPERATING REVENUE</b>	
	<i>Transoceanic message revenue</i>	
3210	Public message revenue.....	\$.....
3215	U. S. government message revenue.....	.....
3220	Other governments message revenue.....	.....
3225	Press message revenue.....	.....
3230	Other commuted-rate revenue.....	.....
3299	Other message revenue.....	.....
	Total.....	\$.....
	<i>Other transmission revenue</i>	
3705	Scheduled transmission service revenue.....	\$.....
3725	Broadcast-program service revenue.....	.....
3735	News (CND) service revenue.....	.....
3745	Facsimile or photogram service revenue.....	.....
3755	Telephone service revenue.....	.....
3799	Miscellaneous transmission service revenue.....	.....
	Total.....	\$.....
	Total transmission revenue.....	\$.....
	<i>Nontransmission revenue</i>	
3810	Leased-circuit revenue.....	\$.....
3820	Other leased-plant revenue.....	.....
3835	Money-order fees.....	.....
3899	Miscellaneous nontransmission revenue.....	.....
	Total.....	\$.....
	Total ocean-cable operating revenue.....	\$.....
	<i>Other telecommunication revenue</i>	
3910	Telephone revenue—Telephone systems.....	\$.....
3925	Radiotelegraph revenue—Radiotelegraph systems.....	.....
	Total.....	\$.....
	Total operating revenue <sup>1</sup> .....	\$.....

<sup>1</sup> Amount transferred to account 3000, "Operating revenues."



## PRESCRIBED ACCOUNTS

NOTE: Number to the right of the decimal point is the account number.

*Wire-Telegraph Transmission Revenues***§ 35.3110 Public message revenue.**

(a) This account shall include the carrier's portion of revenue from the wire-telegraph transmission of messages for the general public.

(b) A memorandum record supporting the entries in this account shall be prepared by class A carriers on a calendar-month basis from statistical records of revenue which will show the allocation of amounts in this account among the following classifications of revenue.

(1) *General message revenue.* This classification shall include the carrier's portion of revenue from the wire-telegraph transmission, at the effective rates available to the general public, of the following and similar classes of public messages:

Full rate messages,  
Day letters, and  
Night letters,

including multiple-address or book messages, and similar services related to the above classes.

(2) *Serial message revenue.* This classification shall include the carrier's portion of revenue from the wire-telegraph transmission of public messages, at the effective rates available to the general public applicable when more than one message or section of a message is sent to the same addressee at the same destination within a specified period of relatively short duration.

(3) *Timed-wire service revenue.* This classification shall include the carrier's portion of revenue from the wire-telegraph transmission of public messages when the basis of the effective rates is the time employed, required, or allowed for such transmission, whether such time is computed on basis of the number of words transmitted converted into equivalent minutes, or on basis of the actual time required for transmission.

(4) *Greetings and other flat-rate message revenue.* (i) This classification shall include the carrier's portion of revenue from the wire-telegraph transmission, at the effective flat or fixed rates (applicable regardless of distance), of classes of fixed-text public messages and messages of sender's composition, such as holiday-greeting messages, including multiple-address or book messages and similar services related to these classes.

(ii) Allocations to this classification shall reflect due consideration of the effect of the abnormal traffic existing upon special occasions, such as holidays.

**§ 35.3115 United States government message revenue.** (a) This account shall include the carrier's portion of revenue from the wire-telegraph transmission, at the effective rates available to the United States Government or any department or agency thereof, of classes of official messages such as the following:

Government full rate messages.  
Government day letters.  
Government night letters.  
Government serial messages.  
Government timed-wire service messages.

(b) This account shall also include under a separate subdivision the carrier's portion of revenue from the wire-telegraph transmission of Government weather-bureau messages.

**§ 35.3125 Press message revenue.** This account shall include the carrier's portion of revenue from the wire-telegraph transmission of classes of messages restricted as to text, at the effective rates for press services that are less than rates for comparable services to the general public.

**§ 35.3130 Money-order message revenue.** This account shall include the carrier's portion of revenue from the wire-telegraph transmission, at the effective rates available to the general public, of messages incidental to, and of messages accompanying, telegraphic money-orders.

**§ 35.3135 News (CND) service revenue.** This account shall include the carrier's portion of revenue from the wire-telegraph transmission of the following and similar classes of messages and reports disseminated by the carrier to its subscribers:

Baseball, football, or other sporting-event reports.  
Market quotations.  
News ticker.  
Sports ticker.  
Stock ticker.

**§ 35.3140 Contract (CAK) message revenue.** This account shall include the carrier's portion of revenue from the wire-telegraph transmission of messages of transportation carriers and others at rates established for collection under contractual agreements that provide for certain free or concession services.

**§ 35.3145 Facsimile or photogram service revenue.** This account shall include the carrier's portion of revenue from the wire-telegraph transmission of any matter (other than matter being transmitted at the effective rates applicable to messages) involving the use of facsimile or other reproducing equipment.

**§ 35.3155 Telephone service revenue.** This account shall include the carrier's portion of revenue from telephone operations which involve plant primarily used in wire-telegraph service. (See also §§ 35.03-8 and 35.3610.)

**§ 35.3160 Wire-telegraph revenue on cable and radio messages.** (a) This account shall include the carrier's portion of revenue from the wire-telegraph transmission of insular, mobile, and foreign communication.

(b) The carrier's records shall be so maintained that in reports to the Commission there may be shown, at least on basis of statistical determinations, the revenue derived from each of the following classes of service:

Foreign messages.  
Insular messages.  
Marine messages.  
Mobile (other than marine) messages.

**§ 35.3199 Other wire-telegraph transmission revenues.** (a) This account shall include the carrier's portion of

revenue from wire-telegraph transmission services not provided for elsewhere.

(b) The carrier's records shall be so maintained that in reports to the Commission there may be shown separately the carrier's portion of the revenue from broadcast-program transmission that is includible in this account. (See particularly the note in § 35.3410.)

## TRANSOCEANIC MESSAGE REVENUE

**§ 35.3200 Transoceanic message revenue.** (a) This account, when maintained under the option provided in § 35.03-5 (a) shall include the carrier's portion of revenue from the transmission of messages (other than marine messages) between points outside the area comprising the continental United States, Alaska, Canada, Saint Pierre-Miquelon, and Mexico, and between such points and points designated as gateway points in the continental United States. (See § 35.3160.)

(b) This account shall be cleared on a monthly basis prior to entries herein for any succeeding month.

**§ 35.3210 Public message revenue.** This account shall include the carrier's portion of revenue from the transmission between gateway points and points outside the continental United States, Alaska, Canada, Saint Pierre-Miquelon, and Mexico, of messages (other than marine messages) at effective rates available to the general public.

**§ 35.3215 U. S. governmental message revenue.** This account shall include the carrier's portion of revenue from the transmission between gateway points and points outside the continental United States, Alaska, Canada, Saint Pierre-Miquelon, and Mexico, of messages (other than marine messages) at effective rates available to the United States government.

**§ 35.3220 Other governments message revenue.** This account shall include the carrier's portion of revenue from the transmission between gateway points and points outside the continental United States, Alaska, Canada, Saint Pierre-Miquelon, and Mexico, of messages (other than marine messages) at effective rates available to governments other than the United States government.

**§ 35.3225 Press message revenue.** This account shall include the carrier's portion of revenue from the transmission between gateway points and points outside the continental United States, Alaska, Canada, Saint Pierre-Miquelon, and Mexico, of messages (other than marine messages) at effective rates available to organization engaged in publication of the substance of such messages. (See particularly § 35.3705; see also § 35.3735.)

**§ 35.3230 Other commuted-rate revenue.** This account shall include the carrier's portion of revenue from the transmission between gateway points and points outside the continental United States, Alaska, Canada, Saint Pierre-Miquelon, and Mexico, of messages (other than marine messages) at effective rates available to persons or organ-



izations other than those provided for in §§ 35.3210 to 35.3225, inclusive.

§ 35.3299 *Other message revenue.* This account shall include the carrier's portion of revenue from the transmission of messages (other than marine messages) between points outside the continental United States, Alaska, Canada, Saint Pierre-Miquelon, and Mexico (i. e., messages that do not originate or terminate at, or transit through, points within such area).

#### *Terminal Commission Revenues*

§ 35.3350 *Terminal commissions.* This account shall include the amounts of commissions receivable by the carrier for services rendered to other carriers in originating or terminating messages or for similar communication services. (See particularly §§ 35.03-20, 35.31-3, and 35.4275.)

#### *Wire-Telegraph Nontransmission Revenues*

§ 35.3410 *Leased-circuit revenue.* (a) This account shall include the carrier's portion of revenue from the use by others of wires, cables, channels, circuits, and similar wire-telegraph facilities not part of substantially complete operating systems or operating units leased to others, when the charge therefor is based on contractual rent agreements providing for definite periodic terms without regard to the extent of the service obtained by the users of such facilities. (See also §§ 35.30-3, 35.3415, and 35.3420.)

(b) The carrier's records shall be so maintained that in reports to the Commission there may be shown separately the carrier's portion of the revenue derived from the leasing of circuits for the purpose of transmission of broadcast programs by the lessee.

NOTE: The carrier's portion of revenue derived in instances in which its employees participate in (1) energizing or monitoring circuits, (2) maintaining fidelity of sound output, or (3) otherwise contributing technically to the transmission of broadcast programs (excepting the ordinary maintenance, testing, and regulating performed for all leased-wire customers) shall not be included in this account but in account 3199, "Other wire-telegraph transmission revenues."

§ 35.3415 *Measured-service revenue.* This account shall include the carrier's portion of revenue from the use, at rates available to the general public as facilities are available, of wire-telegraph facilities furnished by the carrier to provide for direct communication by customers when the charge therefor is on the basis of the measured number of impulses or words transmitted, such as telemeter service.

§ 35.3420 *Other leased-plant revenue.* This account shall include the carrier's portion of revenue from the use by others of wire-telegraph plant not provided for elsewhere. (See also §§ 35.30-3, 35.3410, and 35.3415.)

§ 35.3425 *Code-registration revenue.* This account shall include the carrier's portion of revenue from the registration of code names, titles, symbols, and addresses, and other similar code-registra-

tion services incidental to wire-telegraph operations.

§ 35.3430 *Errand-service revenue.* This account shall include the carrier's portion of revenue from the utilization of messengers in wire-telegraph services not connected with the transmission of messages.

§ 35.3435 *Money-order charges.* This account shall include the carrier's portion of revenue from charges for wire-telegraph money-order service as distinguished from revenue messages incidental to such service. (See also §§ 35.3130, 35.3230, and 35.3535.)

§ 35.3440 *Time-service revenue.* This account shall include the carrier's portion of revenue from services in connection with self-winding clocks and other synchronizing devices when such services are incidental to wire-telegraph operations.

§ 35.3499 *Other wire-telegraph nontransmission revenues.* This account shall include the carrier's portion of revenue from nontransmission services incidental to wire-telegraph operations not provided for elsewhere.

#### *Other Transmission Revenue*

§ 35.3700 *Other transmission revenue.* (a) This account, when maintained under the option provided in § 35.03-5 (a), shall include the carrier's portion of revenue from transmission services other than filed messages.

(b) This account shall be cleared on a monthly basis prior to entries for any succeeding month.

§ 35.3705 *Scheduled transmission service revenue.* This account shall include the carrier's portion of revenue from furnishing transmission facilities during specified periods, either with or without operators, to provide for direct communication by customers, for purposes other than broadcast-program or telephone transmission. This includes measured-service revenue (such as telemeter service, contract timed service, radioprinter service, etc.). (See also §§ 35.3725, 35.3755, and 35.3810.)

§ 35.3725 *Broadcast-program service revenue.* This account shall include the carrier's portion of revenue from the furnishing of services or facilities utilized in (1) broadcast-program transmission and (2) activities incidentally associated therewith.

§ 35.3735 *News (CND) service revenue.* This account shall include the carrier's portion of revenue from furnishing customers with reports of activities such as stock market transactions, sports events, etc., when such reports are prepared and disseminated by the carrier. This includes periodic charges for the facilities used in such dissemination such as tickers, projectors, etc.

§ 35.3745 *Facsimile or photogram service revenue.* This account shall include the carrier's portion of revenue from the transmission of any matter involving the use of facsimile or other reproducing equipment.

§ 35.3755 *Telephone service revenue.* This account shall include the carrier's

portion of revenue from telephone operations when such operations involve the use of plant primarily devoted to telegraph service. (See also § 35.03-8 and account 3910, "Telephone revenue—Telephone systems.")

§ 35.3799 *Miscellaneous transmission service revenue.* This account shall include the carrier's portion of revenue from transmission services not provided for elsewhere.

§ 35.3800 *Nontransmission revenue.* (a) This account, when maintained under the option provided in § 35.03-5 (a), shall include the carrier's portion of revenue from communication operations other than transmission.

(b) This account shall be cleared on a monthly basis prior to entries for any succeeding month.

§ 35.3810 *Leased-circuit revenue.* This account shall include the carrier's portion of revenue from the use by others of circuits, channels, wires, cables, and similar facilities for direct communication by customers, when the charge therefor is based on contractual rent agreements providing for definite periodic terms without regard to the extent of service obtained by the users of such facilities. (See also § 35.3705.)

NOTE A: Income from plant includible in account 1100, "Operated plant leased to others" (as distinguished from revenue includible in this account), shall be included in account 5010, "Income from operated plant leased to others."

NOTE B: When the charges for facilities furnished for direct communication by customers are based on the extent of services obtained by the users, such as telemeter service, the revenue shall be included in account 3705, "Scheduled transmission service revenue."

§ 35.3820 *Other leased-plant revenue.* This account shall include the carrier's portion of revenue from the use by others of leased operated plant not provided for elsewhere. (See also § 35.30-3.)

§ 35.3835 *Money-order fees.* This account shall include the carrier's portion of revenue from charges for money-order service as distinguished from revenue messages incidental to such service.

NOTE: Revenue from money-order messages, as distinguished from the fees includible in this account, shall be included in the appropriate message-revenue account. (See §§ 35.3210 to 35.3299.)

§ 35.3899 *Miscellaneous nontransmission revenue.* This account shall include the carrier's portion of revenue from nontransmission services not provided for elsewhere, such as revenue from code registration, errand service, and time service.

#### *Other Telecommunication Revenues*

§ 35.3910 *Telephone revenue—Telephone systems.* (a) This account shall include the carrier's revenue from the operation of telephone systems as provided in § 35.03-8.

(b) The records supporting the entries in this account shall be so maintained as to indicate the amount applicable to each primary operating-revenue account provided in the uniform system of accounts



prescribed by the Commission for telephone companies having average annual operating revenues equivalent to the estimated annual telephone revenues of the carrier. (See also §§ 35.3155 and 35.3255.)

§ 35.3925 *Radiotelegraph revenue—Radio-telegraph systems.* (a) This account shall include the carrier's portion of revenue from the operation of radiotelegraph systems as provided in § 35.03-8.

(b) The records supporting the entries in this account shall be so maintained as to indicate the amount applicable to each primary operating-revenue account provided in the uniform system of accounts prescribed by the Commission for class A and class B radiotelegraph carriers (unless radiotelegraph revenues have been included properly in account 5089, "Income from foreign operations").

#### OPERATING-EXPENSE ACCOUNTS

##### INSTRUCTIONS

§ 35.41-1 *Purpose of operating-expense accounts.* The operating-expense accounts (accounts 4100 to 4499, inclusive) and the other operating-revenue deduction accounts (accounts 4900 to 4999, inclusive, except account 4945) are designed to show the cost of furnishing wire-telegraph and ocean-cable services. Of these accounts, the operating-expense accounts are designed to indicate in detail the carrier's portion of the amounts of the maintenance, conducting-operations, general, and administrative expenses. (See also §§ 35.03-8, 35.03-13, 35.03-14, 35.03-15, and 35.03-17.)

§ 35.41-2 *Basis of charges to the operating-expense accounts.* Charges to the operating-expense accounts shall be based upon the actual expenses incurred by or on behalf of the carrier. (See particularly § 35.03-18.)

NOTE: When, for convenience in accounting, the operating-expense accounts are charged in the first instance with amounts representing items that are not properly chargeable to the accounting carrier's wire-telegraph and ocean-cable operations, such as those applicable to joint operations as referred to in § 35.03-18 or those directly applicable to telephone or radiotelegraph operations as referred to in § 35.03-8, the appropriate clearing credits shall be made in the primary accounts to which such items were originally charged. This procedure should not be followed in connection with transactions includible in account 4275, "Terminal commissions—Expense credit," or account 4317, "General services, licenses, and royalties—Cr." (See also § 35.03-14.)

§ 35.41-3 *Operating expenses applicable to leased plant.* Operating expenses applicable to leased plant shall be charged by the lessee to the appropriate operating-expense accounts as provided in paragraphs (c) and (d) of § 35.30-3. (See also § 35.03-21.)

§ 35.41-4 *Subdivisions of operating-expense accounts.* (a) Carriers furnishing both wire-telegraph and ocean-cable services shall maintain separate accounts for the operating-expenses applicable to each such service.

(b) Appropriate subdivisions shall be maintained for operating expenses that are directly applicable to telephone or

radiotelegraph operations as provided in paragraph (c) of § 35.03-8.

(c) Each operating-expense account (except the accounts for maintenance expenses) that includes more than one of the following elements (e. g., accounts 4291 and 4295) shall be subdivided as follows:

- :1 Compensation of officers and employees. (See particularly § 35.41-5.)
- :2 Overheads (not includible elsewhere).
- :3 Material and supplies (including supply expense).
- :9 Other charges.

NOTE: Subdivisions of the accounts for maintenance expenses are prescribed in paragraph (b) of § 35.41-7.

§ 35.41-5 *Supervision and engineering.* The supervision and engineering expenses includible in the operating-expense accounts shall consist of the pay and expenses (company and railroad transportation, lodging, meals, taxicab fares and carfares, and other traveling and incidental expenses) of officers and employees of the carrier, and of consultants engaged in supervising and directing the operation and maintenance of wire-telegraph and ocean-cable plant; also office supplies for their use and other office expenses, including the maintenance of office furniture and equipment. (See also § 35.03-17.)

NOTE: The cost of direct supervision, such as by foremen or superintendents of repair gangs, and by supervisors in charge of particular operating functions, shall be included in the account or subaccount appropriate for the compensation of the employees whose work they are directing or supervising.

§ 35.41-6 *Expenses of holding or servicing departments.* The records supporting such portions of the charges to each operating-expense or other account as are incurred or recorded by departments performing holding-company activities or furnishing services (other than telegraph services performed at published tariff rates) to other carriers or affiliates under license agreements, general service contracts, or other arrangements providing for the furnishing of general accounting, engineering, financial, legal, patent, or other general services, shall be so maintained that the carrier can report separately the amount of charges included in such operating-expense accounts applicable to each such other carrier or affiliate.

§ 35.41-7 *Maintenance expenses.* (a) The cost of maintenance chargeable to the various operating-expense accounts and to the clearing accounts includes labor, materials, and overhead and other expenses incurred in maintenance work, such as:

- (1) Inspecting, testing, and reporting on the condition of plant to determine the need for repairs, minor replacements, and rearrangements.
- (2) Testing for, locating, and clearing trouble.
- (3) Routine work (see also note A in this section) to prevent trouble such as pulling up slack, tightening guys, raking guy poles, trimming trees, straightening poles and crossarms, and cleaning and adjusting equipment.

(4) Replacing minor items of operated plant except when such items are replaced through the replacement of retirement units. (See also § 35.1-6.)

(5) Rearranging and changing the location of plant not retired.

(6) Minor repairs of materials for re-use. (See however, §§ 35.1795 and 35.9016.)

(7) Restoring the condition of plant damaged by storm, flood, fire, accident, or other casualty. (See also § 35.2215 and note A in this section.)

(8) Restoring the condition of plant damaged by wear and tear, decay, or normal action of the elements. (See also note A in this section.)

(9) Cutting and replacing pavement, pavement base, and sidewalks in connection with repairs.

(10) Permits and privileges for maintenance work.

(11) Inspecting and testing after repairs have been made.

(12) Portion of local plant supervision attributable to maintenance.

(13) Cost of transportation, shop and store expenses, and use of tools and implements.

(14) Cost of installation, equipment changes, and similar services, for which the carrier is reimbursed in whole or in part, or for which a charge is made by the carrier.

(b) The records supporting the entries in the operating-expense accounts including the maintenance-expense accounts, shall be so maintained that, in reports to the Commission, there may be shown separately the aggregate amounts of (1) direct payroll distributions of salaries and wages and (2) salaries and wages charged to clearing accounts, eventually allocated in whole or in part to operating expenses.

(c) Materials recovered in connection with the maintenance of plant shall be credited to the same account to which the maintenance cost was charged.

(d) Salvage and insurance recovered in connection with maintenance shall be credited to the appropriate maintenance account.

(e) If any amount of insurance recovered is relatively large and is received before the repairs have been completed, a disproportionate credit to the expense accounts may be avoided by crediting the amount of the insurance recovered to an appropriate subaccount of account 2399, "Other deferred credits," to which the cost of repairs shall then be charged to the extent covered by the insurance.

(f) Any incidental revenues received or earned, through the use of the carrier's employees or work equipment primarily engaged in maintenance work, shall be credited to the same account to which the maintenance cost was charged. Such revenues include those from the transportation of passengers or freight in or on the carrier's own transportation equipment, those from repairs made to the communication lines of other carriers, and those from other analogous operations involving the services of maintenance employees and equipment.

NOTE A: The cost of maintenance does not include the cost of replacing quantities of



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plant designated as retirement units in § 35.1-6-1.

**NOTE B:** Expenses incurred on account of property of others damaged in connection with maintenance work (except for the cost of incidentally repairing the property of others in the course of such work) shall be included in account 4325, "Injuries and damages."

**NOTE C:** Income from the use of work equipment of the carrier under leases that provide for exclusive possession by the lessee shall be included in account 5010, "Income from operated plant leased to others." (See particularly the note in § 35.1100.)

§ 35.41-99 *Contemplated form of operating-expense statement.* (See § 35.03-9.)

Account No. (1)	Particulars (2)	Wire-telegraph (3)	Ocean-cable (4)	Total (5)
<i>Maintenance expenses</i>				
4101	Supervision of maintenance	\$	\$	\$
4110	Testing and regulating			
4120	Maintenance of inside plant			
4130	Maintenance of aerial plant			
4140	Maintenance of underground plant			
4150	Maintenance of real estate			
4160	Maintenance of ocean cable			
4180	Maintenance-expense equalization			
4199	Other maintenance expenses			
	Total maintenance expenses	\$	\$	\$
<i>Conducting-operations expenses</i>				
4211	Supervision of operations	\$	\$	\$
4212	Wages of operators			
4213	Wages of operating-office clerks			
4214	Wages of solicitors			
4215	Wages of messengers			
4219	Wages of other operating-office employees			
4221	Field-supervision expense			
4223	Advertising and soliciting expense			
4231	Messenger-uniform expense			
4239	Other messenger expense			
4240	Operating power			
4251	House service—Operating offices			
4255	Postage and stationery—Operating offices			
4259	Other supplies—Operating offices			
4261	Rents for operating offices			
4269	Rents for other facilities			
4271	Telephone company service			
4273	Terminal commission charges			
4275	Terminal commissions—Expense credit			
4279	Obtaining news (CND) services			
4281	Traffic-damage awards			
4285	Traffic-damage expense			
4291	Rest and lunch rooms			
4295	Employment and training			
4299	Other conducting-operations expenses			
	Total conducting-operations expenses	\$	\$	\$
<i>General expenses</i>				
4311	Legal services	\$	\$	\$
4315	General services, licenses, and royalties—Dr.			
4317	General services, licenses, and royalties—Cr.			
4321	Insurance			
4323	Workmen's compensation			
4325	Injuries and damages			
4327	Relief and pensions			
4341	Franchise requirements			
4399	Other general expenses			
	Total general expenses	\$	\$	\$
<i>Administrative expenses</i>				
4410	Salaries of general officers and executives	\$	\$	\$
4420	Salaries of general office employees			
4430	Expenses of general officers and general office employees			
4499	Other administrative expenses			
	Total administrative expenses	\$	\$	\$
	Total operating expenses	\$	\$	\$

<sup>1</sup> Amount transferred to account 4000, "Operating expenses."

#### PREScribed ACCOUNTS

**NOTE:** Number to the right of the decimal point is the account number.

#### Maintenance Expenses

§ 35.4101 *Supervision of maintenance.* This account shall include the compensation and the office and other expenses of officers and employees engaged in supervising or directing the maintenance of the carrier's wire-telegraph and ocean-cable plant, as described in § 35.41-5.

§ 35.4110 *Testing and regulating.* This account shall include the amounts of expenses incurred in patching wires, and in testing, watching, and regulating the operations of inside communication equipment; also in testing from test desks with repairmen engaged in maintenance of outside plant during the course of their work or upon its completion; and in making other tests to determine the condition of plant or to locate trouble. (See particularly § 35.41-7.)

**NOTE:** The expenses incurred in testing outside plant (other than the incidental in-

side testing indicated in the text of this account) shall be included in account 4130, "Maintenance of aerial plant," account 4140, "Maintenance of underground plant," account 4150, "Maintenance of real estate," or account 4160, "Maintenance of ocean cable," as appropriate.

§ 35.4120 *Maintenance of inside plant.* This account shall include the amounts of expenses incurred in maintaining operated plant the cost of which is includible in the accounts provided for inside communication plant and accounts 61 and 69, and similar operated plant leased from others. (See particularly § 35.41-7.)

§ 35.4130 *Maintenance of aerial plant.* This account shall include the amounts of expenses incurred in maintaining (1) operated plant the cost of which is includible in accounts 21, 22, 23, and 27, (2) similar operated plant leased from others, and (3) the right of way therefor. (See particularly § 35.41-7.)

§ 35.4140 *Maintenance of underground plant.* This account shall include the amounts of expenses incurred in maintaining (1) operated plant the cost of which is includible in accounts 24, 25, 26, 28, and 29, (2) similar operated plant leased from others, and (3) the right of way therefor. (See particularly § 35.41-7.)

§ 35.4150 *Maintenance of real estate.* This account shall include the amounts of expenses incurred in maintaining operated plant the cost of which is includible in the accounts provided for real estate (other than land used for right of way) and similar operated plant leased from others. (See particularly § 35.41-7.)

**NOTE A:** The cost of initial improvements in the preparation for service of either leased or purchased land, land improvements, and buildings shall be charged to the appropriate operated plant accounts, except when such improvements are of relatively minor cost or short life or the period of the lease is not more than 1 year. (See also §§ 35.1-1, 35.1-2, and 35.1-5.)

**NOTE B:** The cost of maintenance of land, land improvements, and buildings, the investment in which is includible in account 1610, "Miscellaneous physical property," shall be charged to account 5110, "Income from miscellaneous physical property."

**NOTE C:** The cost of maintenance of land used for right of way shall be charged to account 4130, "Maintenance of aerial plant," or account 4140, "Maintenance of underground plant," as appropriate.

**NOTE D:** Any substantial increase or decrease in partitions resulting from changes therein shall be accounted for as additions or retirements, as appropriate.

**NOTE E:** When partitions of a movable type are replaced by partitions of a permanent type or vice versa, the costs involved shall be accounted for through the plant and depreciation-allowance accounts.

**NOTE F:** The cost of minor building alterations, such as opening and closing holes in ceilings, partitions, walls, and floors, incident to the installation of equipment, shall be included in the installation cost of the equipment.

§ 35.4160 *Maintenance of ocean cable.* This account shall include the amounts of expenses incurred in maintaining transoceanic-type cable (including terminal huts or houses and the equipment



contained therein) and similar operated plant leased from others. (See particularly § 35.41-7.)

§ 35.4180 *Maintenance-expense equalization.* This account shall include such amounts as the Commission may authorize or direct under an approved plan to equalize maintenance expenses as provided in § 35.2220.

§ 35.4199 *Other maintenance expenses.* This account shall include the amounts of maintenance expenses not provided for elsewhere.

#### Conducting-Operations Expenses

§ 35.4211 *Supervision of operations.* (a) This account shall include the compensation of officers and employees engaged in supervising or directing the operations of wire-telegraph and ocean-cable services. (See particularly pars. (b) and (c) of § 35.03-17; also § 35.41-5.)

(b) This account shall be subdivided between "General" (for the inclusion of the compensation of employees engaged in supervisory work at the headquarters or within geographical areas) and "Local" (for the inclusion of the compensation of employees engaged primarily in supervising or directing the operations of others in operating offices). Thus the subdivisions of this account shall be as follows:

- 4211:21 General supervision.
- 4211:22 Local supervision.

NOTE: The amounts of travel and other expenses of officers and employees whose compensation is includible in this account shall be included in account 4221, "Field-supervision expense."

§ 35.4212 *Wages of operators.* This account shall include the amounts of compensation of employees engaged primarily in the transmission of messages. (See particularly pars. (b) and (c) of § 35.03-17.)

§ 35.4213 *Wages of operating-office clerks.* This account shall include the amounts of compensation of employees engaged primarily in the receiving and delivering of messages at counters or by telephone and in quoting rates, collecting charges, keeping accounts, and performing other clerical duties in operating offices. (See particularly pars. (b) and (c) of § 35.03-17.)

§ 35.4214 *Wages of solicitors.* This account shall include the amounts of compensation of employees engaged primarily in canvassing for business and interviewing customers for the purpose of promoting the further use of wire-telegraph and ocean-cable services. (See particularly pars. (b) and (c) of § 35.03-17; also § 35.4223.)

§ 35.4215 *Wages of messengers.* This account shall include the amounts of compensation of employees engaged primarily in the pickup and delivery of messages and in performing errand services. (See particularly pars. (b) and (c) of § 35.03-17; also § 35.4239.)

§ 35.4219 *Wages of other operating-office employees.* This account shall include the compensation of employees engaged in any phase of conducting operations not provided for elsewhere.

(See particularly pars. (b) and (c) of § 35.03-17; also §§ 35.4240, 35.4279, and 35.4285.)

§ 35.4221 *Field-supervision expense.* This account shall include the amounts of travel expenses and expenses not provided for elsewhere of officers and employees the compensation of whom is includible in account 4211, "Supervision of operations."

§ 35.4223 *Advertising and soliciting expense.* This account shall include the amounts of expenses incurred by employees whose compensation is includible in account 4214, "Wages of solicitors," and also expenses incurred in connection with commercial advertising for the purpose of promoting the further use of wire-telegraph and ocean-cable services, such as expenditures for newspaper advertising, literature, and similar items.

NOTE A: The costs of newspaper advertisements, literature, and similar expenses other than for commercial advertising purposes, such as advertisements of stock and bond issues, advertising for employees, and notices of dividends declared, shall be charged to the account appropriate for such costs.

NOTE B: The cost of flags, bunting, and similar expenses of decorating building shall be charged to account 9017, "House-service clearing account."

#### ITEMS

(See § 35.03-12)

- Announcements of rate changes.
- Commercial advertisements in newspapers and magazines.
- Commercial advertising matter, such as posters, bulletins, booklets, and related items.
- Electric current consumed in illuminating signs.
- Exhibits in connection with industrial expositions, expenses of.
- Expenses of canvassers, solicitors, and managers in charge of advertising and soliciting, and expenses of their office forces.
- Lecture and demonstration tours for traffic-promotion purposes.
- Public distribution of tariffs and notices of changes, expenses of.
- Radio advertising programs.
- Window displays.

§ 35.4231 *Messenger-uniform expense.* (a) This account shall include the amounts of expenses incurred in altering, repairing, cleaning, and pressing uniforms.

(b) This account shall include also the cost of uniforms purchased.

(c) Physical inventories of the uniforms in service (including surplus uniforms available for service) shall be taken each calendar year, and, if any such inventory exceeds \$1,000, any adjustments to bring this account and account 65, "Messenger uniforms," into harmony with the results of such physical inventory, shall be made in accordance with the provisions of paragraphs (b) and (c) of § 35.65.

§ 35.4239 *Other messenger expense.* (a) This account shall include the amounts of expenses incurred in furnishing messenger service not provided for elsewhere.

(b) Expenses includible in this account include messenger carfare, and licenses and registration fees for bicycles

and other vehicles used in messenger service.

§ 35.4240 *Operating power.* This account shall include the amounts of expenses incurred in supplying power for the operation of the wire-telegraph and ocean-cable plant. This includes the cost of power purchased, the cost of fuel and other supplies consumed, and other expenses incurred in the generation, conversion, and storage of current.

NOTE A: The cost of installation of permanent power circuits for emergency use shall be included in the appropriate plant account.

NOTE B: The expense of producing power for house-service purposes shall be included in account 9017, "House-service clearing account," or other appropriate account.

NOTE C: The compensation of employees engaged primarily in supplying operating power shall be included in account 4219, "Wages of other operating-office employees." (See pars. (b) and (c) of § 35.03-17.)

§ 35.4251 *House service—Operating offices.* This account shall include the amounts of expenses incurred for house service of operating offices. (See the item list in § 35.9017.)

§ 35.4255 *Postage and stationery—Operating offices.* This account shall include the amounts of expenses incurred for postage, message blanks, and other stationery for use in operating offices.

§ 35.4259 *Other supplies—Operating offices.* This account shall include the amounts of expenses incurred for supplies used in operating offices not provided for elsewhere. (See particularly § 35.4255.)

§ 35.4261 *Rents for operating offices.* This account shall include the amounts of expenses incurred as rent for space used for operating offices.

NOTE: Repairs and taxes borne by the lessee under the terms of the lease should be charged to the appropriate maintenance and tax accounts. (See, e. g., accounts 4150, "Maintenance of real estate," and 4932, "Other taxes—Operating.")

#### ITEMS

(See § 35.03-12)

- Periodic rents (paid in cash).
- Repairs (paid for lessor and deducted from cash payments of rent).
- Taxes and fees (paid for lessor and deducted from cash payments of rent).

§ 35.4269 *Rents for other facilities.* This account shall include the amounts of expenses incurred as rents for the use of facilities other than space or leased plant comprising substantially complete operating systems or operating units held in exclusive possession by the carrier. It shall include rents for such facilities as ducts, conduits, material yards, poles, circuits, conductors, and transmitting and receiving equipment. (See also §§ 35.4261 and 35.5205.)

§ 35.4271 *Telephone company service.* (a) This account shall include the amounts of expenses incurred for services furnished by telephone companies.

(b) Charges to this account shall be subdivided as follows:

- 4271:91 Local service.
- 4271:92 Toll service.



4271:93 Billing and collection.  
4271:99 Other telephone company service.  
(See notes A and B.)

NOTE A: Rents for such facilities as ducts, conduits, material yards, poles, circuits, conductors, and transmitting and receiving equipment shall be included in account 4269, "Rents for other facilities."

NOTE B: Commissions for services rendered by telephone companies or others in originating and terminating messages shall be included in account 4273, "Terminal commission charges." (See particularly §§ 35.03-20 and 35.31-3.)

§ 35.4273 *Terminal commission charges.* (a) This account shall include the amounts of commissions paid to other communication carriers, transportation companies, hotels, service stations, or other persons not employees of the carrier, for services rendered in originating and terminating messages or for similar communication services rendered to the carrier. (See particularly § 35.03-20; also §§ 35.3350 and 35.4275.)

(b) The records supporting the entries in this account shall be so maintained that in reports to the Commission there may be shown the amounts paid to (1) telephone companies, (2) other communication companies, and (3) others.

§ 35.4275 *Terminal commissions—Expense credit.* This account shall include the amounts of commissions received from other carriers for services rendered in originating or terminating messages, or for similar communication services involving the incidental use of the accounting carrier's employees and facilities. (See particularly §§ 35.03-20 and 35.3350.)

§ 35.4279 *Obtaining news (CND) services.* This account shall include the amounts of expenses incurred in gathering information relative to stock and other market quotations, transactions in securities, sporting news, election returns, marine reports, and similar items subsequently disseminated to subscribers as news services.

NOTE: The compensation of employees engaged primarily in obtaining news services shall be included in account 4219, "Wages of other operating-office employees." (See pars. (b) and (c) of § 35.03-17.)

§ 35.4281 *Traffic-damage awards.* (a) This account shall include the amounts of obligations incurred in the settlement of damages arising out of claims of delays and errors in service, including the amounts of revenues refunded in partial or complete settlement of such claims.

(b) The records supporting the entries in this account shall be so maintained as to show the amounts of settlements made during the accounting period with respect to delayed-delivery, nondelivery, error, and other causes, separately with respect to messages and to money orders.

(c) There shall be classed as delayed-delivery claims, those arising from delays in transmission or delivery; as nondelivery claims, those arising from failure to deliver; as error claims, those arising from error in transmission or delivery, except such as may be classified as delayed-delivery or nondelivery claims; and as other types of claims,

those arising from causes not shown above, such as libel, fraud, and similar bases.

NOTE A: Expenses incident to traffic-damage claims shall be included in account 4285, "Traffic-damage expense."

NOTE B: The costs incurred on account of injuries to persons and damages to the property of others shall be included in account 4325, "Injuries and damages," or other appropriate account. (See particularly par. (c) (5) of § 35.1-3.)

§ 35.4285 *Traffic-damage expense.* This account shall include the amounts of expenses incurred in connection with closing claims for traffic damages, including court costs, the pay and expenses of witnesses other than employees, and the legal and other expenses incurred in connection with investigating, defending, or settling traffic-damage claims.

NOTE: The pay and expense of officers and employees of the carrier shall be excluded from this account and included in account 4211, "Supervision of operations," account 4219, "Wages of other operating-office employees," account 4221, "Field-supervision expense," or other appropriate account.

§ 35.4291 *Rest and lunch rooms.* (a) This account shall include the amounts of net costs incurred in operating rest and lunch rooms for employees, including the costs of meals provided and the costs of operating such facilities as rest rooms, quiet rooms, reading rooms, medical rooms, locker rooms, check rooms, and sleeping rooms.

(b) At cable-relay points and other places where subsistence is furnished to employees, a separate subdivision of this account shall be maintained in which shall be included the compensation of farm laborers, mess attendants, and other persons engaged in furnishing subsistence to the carrier's employees.

(c) Amounts received by the carrier for meals and other services the expense of which is included in this account, shall be credited under a separate subdivision.

§ 35.4295 *Employment and training.* (a) This account shall include the cost of training new operators and other employees, either in school or otherwise, including the wages paid them for which no service is rendered, the salaries and expenses of instructors, and the cost of supplies furnished.

(b) This account shall include also the cost of advertising for employees and the office and other expenses of personnel officers and employees engaged in interviewing and hiring applicants.

§ 35.4299 *Other conducting-operations expenses.* This account shall include the amounts of expenses incurred in conducting operations not provided for elsewhere.

#### General Expenses

§ 35.4311 *Legal services.* This account shall include amounts payable to persons other than officers and employees of the carrier for legal services and related expenses not includible in other operating-expense accounts or in the plant accounts. (See particularly §§ 35.4285, 35.4315, 35.4323, and 35.4325; also par. (c) (13) of § 35.1-3.)

NOTE: The compensation and expenses of the legal staff of the carrier shall be included in account 4410, "Salaries of general officers and executives," account 4420, "Salaries of general office employees," account 4430, "Expenses of general officers and general office employees," or other appropriate account. (See also § 35.03-17.)

§ 35.4315 *General services, licenses, and royalties—Dr.* (a) This account shall include the amounts of expenses incurred for services received under a license agreement, a general service contract, or other arrangement providing for the furnishing of general management, supervision, purchasing, accounting, engineering, financial, legal, patent, or other general services.

(b) The records supporting the entries in this account shall be so maintained as to show the respective amounts paid to each furnisher of the service with respect to each class of service so furnished. If the costs incurred in the first instance by the person furnishing the service are apportioned to the several recipients thereof, the records of the carrier served shall indicate the aggregate cost to the furnishing person and the method of apportionment to the recipient carrier.

§ 35.4317 *General services, licenses, and royalties—Cr.* (a) This account shall be credited with amounts accruing (other than profits realized) from services rendered others under a license agreement, a general service contract, or other arrangement providing for the furnishing of general management, supervision, purchasing, accounting, engineering, financial, legal, patent, or other general services.

(b) Minor amounts of profits from such arrangements may be included in this account. (See also § 35.5020.)

§ 35.4321 *Insurance.* (a) This account shall include the net cost (i. e., the amounts of premiums less the amounts of dividends or refunds), not provided for elsewhere, of commercial insurance including insurance to protect the carrier against losses on account of injuries to or deaths of persons other than employees and damages to owned or leased property used in wire-telegraph and ocean-cable services.

(b) This account shall also include amounts representing the current charges for self-carried insurance that are credited to account 2215, "Provisions for self-carried insurance." (See particularly the text of that account.)

(c) There shall be included in this account special costs incurred in procuring insurance, such as brokerage fees, notarial fees, and insurance inspection service, and the compensation and the travel, office, and other expenses of officers and employees engaged primarily in insurance work.

(d) In addition to the subdivisions prescribed in paragraph (c) of § 35.41-4, this account shall be further subdivided as follows (using the indicated numerals as the second digit in combination with the appropriate first digit):

- 1 Property-insurance premiums.
- 2 Other insurance premiums.
- 3 Self-carried insurance.
- 9 Other insurance expense.



(e) Among the insurable risks, the amounts of insurance premiums for protection against which are chargeable to this account, when incurred in connection with the carrier's wire-telegraph and ocean-cable operations, are the following:

#### INSURABLE RISKS

(See § 35.03-12)

Boiler explosion.  
Burglaries, holdups, check alterations, and forgeries.  
Business interruption (i. e., use and occupancy insurance).  
Damages to the property of others.  
Defalcation of employees and agents.  
Fire, flood, storm, and other casualties to operated plant.  
Injuries to or deaths of persons other than employees.  
Nonperformance by others of their contractual obligations.

NOTE A: All losses sustained including those covered by commercial insurance or provisions for self-carried insurance shall be charged to the allowance-for-depreciation, construction, injuries-and-damages, or other appropriate account, according to the character of the loss. Recoveries from insurance companies or others shall be credited to the particular account or accounts in which the loss covered by the insurance is includible. (See also note B in § 35.2215.)

NOTE B: Premiums on life insurance and annuities of officers and employees shall be included in account 4327, "Relief and pensions," except that when the carrier is the beneficiary the cost of such insurance shall be charged to account 5299, "Other deductions from ordinary income," or, if the carrier so elects, the cash surrender value may be included in account 1799, "Other current assets," in which event the excess of cost of the insurance over such cash surrender value shall be charged to account 5299.

NOTE C: Premiums for reinsurance of self-carried insurance shall be charged to account 2215, "Provisions for self-carried insurance."

NOTE D: Employer's liability insurance shall be included in account 4323, "Workmen's compensation."

NOTE E: Insurance applicable to construction shall be included in account 1300, "Plant under construction."

§ 35.4323 *Workmen's compensation.* (a) This account shall include the net cost (i. e., the amounts of premiums less the amounts of dividends or refunds), not provided for elsewhere, of insurance required to provide for workmen's compensation or similar employee protection in connection with wire-telegraph and ocean-cable operations, whether such insurance is provided by means of premiums payable to governmental agencies or commercial insurance companies.

(b) This account shall also include amounts, based upon reasonable estimates as to the requirements thereof, that are credited to an appropriate subaccount of account 2215, "Provisions for self-carried insurance," when, under statutes to which the carrier is subject, self-insurance of risks for workmen's compensation for employees' liability is required or permitted.

(c) This account shall include also the amounts (not provided for elsewhere) of awards, not covered by insurance, made either voluntarily or by order of a court or other authority such as a workmen's-compensation board.

(d) There shall be included in this account (1) special costs incurred in procuring insurance for workmen's compensation, such as brokerage fees, notarial fees, and insurance inspection service, (2) fees of attorneys, investigators, and adjusters in connection with workmen's compensation, (3) court costs and similar items in connection with the settlement of claims for workmen's compensation, (4) costs of furnishing medical aid to injured employees, and (5) the compensation and the travel, office, and other expenses of officers and employees primarily engaged in or specifically assigned to work in connection with procuring insurance and settling claims for workmen's compensation.

(e) In addition to the subdivisions prescribed in paragraph (c) of § 35.41-4, this account shall be further subdivided as follows (using the indicated numerals as the second digit in combination with the appropriate first digit):

- 1 Payments to governmental authorities.
- 2 Premiums to commercial insurance companies.
- 3 Charges for self-carried insurance.
- 4 Awards where bond is posted or deposit is required by statutes.
- 5 Awards by court or other governmental authority where no bond or deposit is posted.
- 6 Awards voluntarily granted by the carrier.
- 9 Other workmen's-compensation expense.

NOTE A: All awards made including those covered by commercial insurance or provisions for self-carried insurance shall be charged to this account or to the allowance-for-depreciation, construction, or other appropriate account, according to the character of the loss. Recoveries, if any, from insurance companies or others made by the carrier rather than directly by the employee shall be credited to the particular account or accounts in which the amount of the award was included. (See also note B in § 35.2215.)

NOTE B: Workmen's-compensation insurance and awards shall be included in account 1300, "Plant under construction," when applicable to construction, and in account 1515, "Allowance for depreciation—Wire-telegraph and ocean-cable plant," when applicable to removal costs.

NOTE C: If under the terms of the carrier's benefit plan the amount of compensation in some instances exceeds the statutory requirements, and if the continuous current segregation of such excess into account 4327, "Relief and pensions," is impracticable, the entire amount paid may be charged to this account, provided that the carrier's records are so maintained as to permit the determination of the aggregate of such excess amounts.

§ 35.4325 *Injuries and damages.* (a) This account shall include the amounts of losses (not provided for elsewhere) which occur in connection with the carrier's wire-telegraph and ocean-cable operations, including injuries to or deaths of persons other than employees, damages to the property of others (whether occasioned by fire, flood, storm, or other cause), and penalties incurred for nonperformance of contractual obligations.

(b) When an admitted liability arises on account of injuries or damages, the excess of the loss (estimated if not known) over the amount insured (whether by commercial insurance or

self-carried insurance) shall be charged to this account and credited to an appropriate subaccount of account 2299, "Other provisions for future settlements." When an estimated liability has been so charged to this account, subsequent adjustments between this account and account 2299 shall be made in accordance with the provisions of § 35.03-14.

(c) This account shall include also (1) the compensation and the travel, office, and other expenses of officers and employees primarily engaged in or specifically assigned to work in connection with the settlement of claims for injuries to persons other than employees and damages to the property of others, (2) fees of attorneys, investigators, and adjusters, and (3) court costs and similar items in connection with the settlement of claims.

(d) The amounts of injury and damage payments provided for by commercial insurance or by provisions for self-carried insurance shall be credited to this account and charged to the insurer or to account 2215, "Provisions for self-carried insurance," as appropriate.

NOTE A: There shall not be included in this account the amounts of premiums for insurance. (See § 35.4321.)

NOTE B: Costs applicable to workmen's compensation shall be included in account 4323, "Workmen's compensation."

NOTE C: Losses incurred on account of traffic damages shall be included in account 4281, "Traffic-damage awards," or account 4285, "Traffic-damage expense," as appropriate.

NOTE D: The cost of incidentally repairing property of others damaged in connection with maintenance or construction work shall be included in the cost of such work.

§ 35.4327 *Relief and pensions.* (a) This account shall include pensions or other benefits paid to active and retired employees, their representatives or beneficiaries, and salaries and expenses incurred in conducting relief, benefit, and general medical departments. It shall include payments to or on behalf of employees on account of injuries or accidental death when such payments come within the scope of a carrier's general provision for employees' benefits.

(b) If the carrier has definitely undertaken by contract to pay pensions to employees when regularly retired for superannuation or disability and has established a fund to be held in trust for such pension purposes, the carrier shall charge to this account monthly amounts determined through the application of equitable actuarial factors to the current pay rolls, which, together with interest accruals on the trust funds, will as nearly as may be, provide for the payment of such pensions, or for the purchase of annuities corresponding thereto. The amounts so charged shall be concurrently credited to a separate subaccount under account 2210, "Provisions for employees' pensions and welfare." The amounts accrued in each year shall correspond to the aggregate of the amounts expended directly by the carrier for pensions or annuities during the year and amounts paid into the trust fund. The carrier shall maintain a complete record of the actuarial computations through which the



accrual each month of its pension liabilities is established.

(c) Upon the adoption of the accrual plan of accounting, pension payments to employees retired before the adoption of such plan shall be charged to an existing pension reserve or to account 6120, "Extraordinary current income charges." If a carrier pays into its pension trust fund the amount of its existing pension reserve, any such amounts in excess of provision for pensions granted prior to the adoption of the accrual plan may be applied in whole or in part to the adjustment of future accrual charges.

(d) Before adopting the accrual plan of accounting for pensions the carrier shall inform the Commission of the details of its pension plan giving full statement of the facts which in its judgment establish a contractual obligation for pension payments together with the actuarial formula under which it proposes to create its pension trust fund, and also a copy of the declaration of trust under which the fund is established. Each carrier that has adopted the accrual plan of accounting for pensions shall make no change in the accounting therefor or in the method of computing the amounts of the accruals recorded in the accounts under the plan without first submitting full particulars of the proposed changes and a detailed statement of the reasons therefor to the Commission for its consideration and approval.

(e) No charges to this account shall be made in anticipation of discretionary pension payments in the future.

(f) This account shall include also, under a separate subaccount, amounts accrued to provide for the payment of termination allowances or similar benefits to employees of the carrier when such employees are laid off because of lack of work, and to provide necessary and warranted relief to former employees. Charges to this subaccount shall be made only after approval by the Commission of the carrier's plan for administering payments for these purposes and of the amount of the accruals. Amounts charged to this subaccount shall be concurrently credited to account 2210, "Provisions for employees' pensions and welfare."

(g) There shall be credited to this account that portion of each class of relief and pensions assigned to construction and custom-work labor.

#### ITEMS

(See § 35.03-12)

Accident, sickness, death, and other disability benefits to employees, their representatives or beneficiaries.

Employees of relief, benefit, and general medical departments, pay and expenses of. Expenses in connection with employees' disability cases, such as hospital, nursing, and medical attendance.

Fees and retainers for medical and similar services incurred by relief, benefit, and general medical departments.

House service.

Medical supplies.

Office supplies.

Postage, printing, and stationery.

Premiums paid for group insurance for the benefit of employees or their beneficiaries.

Repairs of furniture and equipment, and cost and repairs of individual items of small value or short life.

Travel expenses.

#### § 35.4341 Franchise requirements.

(a) This account shall include the amounts of payments to governmental authorities and the cost of materials, supplies, and services furnished such authorities without reimbursement in compliance with franchise, ordinance, or similar requirements, except that communication services so furnished may be included in this account at effective rates instead of cost.

(b) This account shall include the amounts of payments for franchises running for 1 year or less after acquisition, and may include direct charges for franchises acquired at small cost.

(c) This account shall have the following subdivisions: "Cash outlays" (for the inclusion of amounts subject to cash settlement), "Communication services—Dr." and "Communication services—Cr." (for the inclusion of charges and credits, respectively, representing the amounts of revenues that would be derived at the effective rates from wire-telegraph and ocean-cable services that are furnished without direct compensation), and "Other" (for the inclusion of items not otherwise provided for). Thus, in addition to the subdivisions prescribed in paragraph (c) of § 35.41-4, this account shall be further subdivided as follows (using the indicated numerals as the second digit in combination with the appropriate first digit):

- 1 Cash outlays.
- 2 Communication services—Dr.
- 3 Communication services—Cr.
- 9 Other.

NOTE A: The cost of plant, supplies, and similar items given as an initial consideration for a franchise running for more than 1 year shall be included in the plant accounts.

NOTE B: Franchise taxes paid annually or more frequently shall be included in account 4932, "Other taxes—Operating."

NOTE C: The cost of operated plant furnished to a governmental agency without charge or used by the carrier in rendering services to a governmental agency without charge shall be included in the appropriate plant accounts, and the maintenance expenses incurred in connection with such operated plant shall be charged to the appropriate maintenance accounts.

NOTE D: The cost of reconstructing, or of changing the location of, operated plant to conform with governmental requirements, including such work required under the provisions of a franchise or ordinance, shall be charged to the maintenance-expense, operated plant, and allowance-for-depreciation accounts appropriate for the work performed.

#### § 35.4399 Other general expenses.

This account shall include the amounts of operating expenses not includible in other accounts.

#### ITEMS

(See § 35.03-12)

Commissions paid agents for leasing space to others in buildings partly occupied by the carrier in connection with its communication operations.

Conventions and meetings of the industry, contributions for.

Fees and expenses of directors.

Patents having an estimated service life of 1 year or less and patents acquired at small cost, amounts paid for.

Research and development work, not includible in other accounts, cost of. (See also § 35.03-10.)

#### Administrative Expenses

§ 35.4410 Salaries of general officers and executives. This account shall include the amounts of compensation of officers and executives of the carrier that are properly chargeable to wire-telegraph and ocean-cable operations and are not directly applicable to a particular function. (See also §§ 35.03-17 and 35.41-5.)

§ 35.4420 Salaries of general office employees. This account shall include the amounts of compensation of employees engaged in the general offices of the carrier that are properly chargeable to wire-telegraph and ocean-cable operations and are not directly applicable to a particular function. (See also §§ 35.03-17 and 35.41-5.)

§ 35.4430 Expenses of general officers and general office employees. This account shall include the amounts of expenses incurred for the benefit of the carrier in its wire-telegraph and ocean-cable operations by general officers and executives and general office employees whose compensation is includible in account 4410, "Salaries of general officers and executives," or account 4420, "Salaries of general office employees."

§ 35.4499 Other administrative expenses. (a) This account shall include the amounts of expenses incurred in carrying out administrative functions that are not provided for elsewhere.

(b) Among the items includible in this account are the costs of postage, stationery, and printing for use in general offices, repairs of office furniture, rents, and other analogous expenses of general offices.

#### CLEARING ACCOUNTS

##### INSTRUCTIONS

§ 35.90-1 Purpose of clearing accounts. The clearing accounts are provided primarily as a medium for the distribution of certain amounts that affect more than one account.

§ 35.90-2 Disposition of balances in clearing accounts. (a) The balances in the clearing accounts shall be distributed to the appropriate accounts not later than the end of the calendar year unless amounts included therein appropriately affect the accounting for future periods. Such distribution shall be made by (1) transferring to the appropriate accounts all items that are known to be applicable to each such account and (2) apportioning the remaining amounts among the several accounts on an equitable basis. The carrier shall be prepared to explain at any time, particularly in its annual reports to the Commission, the practices occasioning the carrying forward of balances in these accounts as at the end of any accounting period.

(b) The undistributed balances that appropriately affect the accounting for future periods shall be stated on the balance sheet under account 1940, "Debit balances in clearing accounts," or ac-



count 2320, "Credit balances in clearing accounts," as appropriate, except that any undistributed balance in account 9016, "Supply clearing account," shall be reported on the balance sheet under account 1795, "Material and supplies." (See particularly par. (f) of § 35.1795.)

§ 35.90-3 *Subdivisions of clearing accounts.* Each clearing account that includes more than one of the following elements shall be subdivided as follows:

- :1 Direct labor.
- :2 Supervision and other overheads.
- :3 Direct material (including supply expense).
- :9 Other charges.

#### PREScribed ACCOUNTS

NOTE: Number to the right of the decimal point is the account number.

§ 35.9011 *Research and development clearing account.* (a) This account shall include the costs incurred in the operation of laboratories and experimental stations for the development of equipment, systems, and methods for use by the carrier in wire-telegraph and ocean-cable services; including the pay and expenses of employees engaged in research and development, the cost of models, the allocable portion of expenses for supervision, clerical forces, materials, supplies, rents, and other expenses incurred in maintaining general laboratories for research and experimental work. (See also § 35.03-10.)

(b) Amounts included in this account applicable to projects that have been abandoned shall be cleared by credits hereto and, when borne by the carrier shall be charged to account 6120, "Extraordinary current income charges," unless otherwise authorized or directed by the Commission.

#### ITEMS

(See § 35.03-12)

Compensation and expenses of employees.  
Depreciation.  
Heat, light, and power.  
Maintenance.  
Material and supplies.  
Rent.  
Repairs.  
Royalties.  
Small tools.

§ 35.9012 *Vehicle clearing account.* This account shall include the net costs incurred in the operation of (1) vehicles and other transportation equipment the cost of which is includible in account 71, "Vehicles," and (2) similar operated plant leased from others, including depreciation and maintenance and other expenses applicable to such equipment.

NOTE: Amounts received for the use of the carrier's vehicles while in the exclusive possession of others shall be credited to account 5010, "Income from operated plant leased to others," either directly or through this account.

§ 35.9013 *Shop clearing account.* This account shall include the costs incurred in the operation of carrier's repair shops, and shops engaged in manufacturing or in reprocessing of material, including depreciation and maintenance and other expenses applicable to such shops.

#### ITEMS

(See § 35.03-12)

Compensation and expenses of shop employees.  
Depreciation.  
Heat, light, and power.  
Maintenance.  
Material and supplies.  
Repairs, including the cost of repairing reusable material.  
Rent.  
Small tools.

§ 35.9014 *Tool and implement clearing account.* (a) This account shall include the costs incurred in the operation of (1) general tools and implements the cost of which is includible in account 74, "Tools and implements," and (2) similar operated plant leased from others, including depreciation and maintenance and other expenses applicable to such equipment.

(b) This account shall include also the cost of hand and other portable tools that have relatively small value or short life when properly includible in this account under the provisions of paragraph (d) of § 35.1-1.

#### ITEMS

(See § 35.03-12)

Depreciation.  
Maintenance.  
Material and supplies.  
Rent.  
Small tools.

§ 35.9015 *Plant-supervision clearing account.* This account shall be used when supervisory officers or employees of the carrier are regularly assigned to duties that involve construction, maintenance, and operation work or any combination of these types of work. When so used, this account shall be charged initially with the compensation and the office and other expenses of such officers and employees. (See particularly §§ 35.03-17 and 35.41-5.)

#### ITEMS

(See § 35.03-12)

Books and periodicals.  
Compensation and expenses of plant-supervising officers and their staffs—including engineers, office and field forces charged with planning for and superintending maintenance, construction, and plant removal work.  
Heat, light, and power for offices.  
Postage, printing, and stationery.  
Rent and repairs of offices.  
Supplies.  
Tools and instruments of small value or short life.

§ 35.9016 *Supply clearing account.* (a) This account shall include the costs incurred in connection with the purchase, storage, handling, and distribution of material and supplies.

(b) Amounts includible in this account include depreciation and maintenance on equipment the cost of which is includible in account 73, "Store and warehouse equipment," transportation charges on material purchased that are impracticable of association with the particular material to which they are related, and the cost of repairing reusable material when such cost cannot be associated with the particular material to

which it is related. (See also paragraph (a) (6) of § 35.41-7.)

(c) This account shall be credited with the amounts of cash or other discounts on purchases when it is impracticable to associate such discounts with the particular material to which they relate.

(d) This account shall be cleared by adding to the cost of material and supplies a suitable loading charge that will equitably distribute the amounts contained herein.

NOTE: Transportation charges on material recovered from plant shall be charged to the account to which the cost of removal is charged.

#### ITEMS

(See § 35.03-12)

Books and periodicals.  
Compensation and expenses of purchasing agents, superintendents and supervisors of supplies, managers of stores, storekeepers, clerks, and laborers.  
Customs duties and excise taxes.  
Depreciation and maintenance of storeroom equipment.  
Insurance against losses and damages to material and supply stock. (See also §§ 35.1795 and 35.4321 and par. (c) (9) of § 35.1-3.)  
Inventory differences in material and supplies that cannot be assigned to specific accounts. (See also par. (e) of § 35.1795.)  
Losses due to breakage, leakage, evaporation, and fire and other casualties to supply stock not assigned to specific accounts or distributed through the pricing of material and supplies disbursed.  
Postage, printing, and stationery.  
Rent and repairs of storehouses, storerooms, storage yards, and other quarters.  
Supplies used.  
Transportation charges, undistributed.

§ 35.9017 *House-service clearing account.* This account shall include the costs incurred in the operation of buildings and space (whether owned or rented) occupied by offices.

#### ITEMS

(See § 35.03-12)

Cleaning supplies.  
Compensation and expenses of building superintendents and others engaged in supervising house-service operations.  
Elevator service.  
Heat.  
Janitor service.  
Light.  
Postage, printing, and stationery.  
Power. (See also § 35.4240.)  
Refrigeration.  
Rent and repairs of quarters used in the supervision of general house-service operations other than space used by janitors and similar employees in furnishing house service for a particular building.  
Supplies.

§ 35.9018 *Floating-equipment clearing account.* This account shall include the net costs incurred in the operation of (1) floating equipment the cost of which is includible in account 75, "Floating equipment," and (2) similar operated plant leased from others, including depreciation and maintenance and other expenses applicable to such equipment.

NOTE: Amounts received for the use of the carrier's floating equipment while in the exclusive possession of others shall be credited to account 5010, "Income from operated



plant leased to others," either directly or through this account.

§ 35.9019 *Railway-equipment clearing account.* This account shall include the net costs incurred in the operation of (1) railway equipment the cost of which is includible in account 76, "Railway equipment," and (2) similar operated plant leased from others, including depreciation and maintenance and other expenses applicable to such equipment.

NOTE: Amounts received for the use of the carrier's railway equipment while in the exclusive possession of others shall be credited to account 5010, "Income from operated plant leased to others," either directly or through this account.

#### RETIREMENT UNITS

§ 35.1-6-1 *List of units to be used in connection with the accounting provided in section 35.1-6.* (a) The following list of retirement units shall not be considered as determining the classification of plant (see § 35.03-12) or as property units for use in continuous property-records (see § 35.1-8), but shall be used in connection with the accounting for operated plant retired (see § 35.1-6).

(b) Elimination of or substitution for retirement units listed herein may not be performed without specific authority by the Commission except that retirement units which are not combinations of the listed retirement units may be added without such authority and carriers may account for listed units as maintenance when of small cost and not complete units of operated plant.

(c) This list shall be expanded by the carrier to include complete units of operated plant not shown herein.

(d) The carrier shall report to the Commission, within 90 days after June 30 of each year, and as at that date, all additions which have been made to the list under this authority, all units included in the list which have become obsolete, either as to technical titles or as to use in communication service, and the units which the experience of the carrier has shown to involve a small cost only. These reports should include such other information concerning the list as the carrier may desire to place before the Commission with requests for appropriate action by the Commission in the matters described.

(e) The article "a," "an," or "the," as appropriate, should be read in connection with each retirement unit listed herein.

*Land Used for Right of Way (Account 11)*  
Parcel—any size.

#### *Land improvements (Account 14)*

Barrier or fence, snow—complete length of or section of.  
Bench (park, tennis court, etc.).  
Billboard or sign (isolated outdoor signs not associated with buildings or other structures).  
Bridge or trestle, foot or road.  
Court, tennis—complete.  
Curbing—continuous length of 50 feet or more.  
Fence or wall—continuous length of 50 feet or more.  
Gate, ornamental.  
Hedge—continuous length of 50 feet or more.  
Lane or cleared area (forest fire protection)—parcel of any size.

Lawn—complete.  
Lighting system, yard—complete; or  
Cable, buried—continuous length of 300 feet or more.  
Fixtures, light—all in one yard.  
Pole, post, or standard (with or without appurtenances).  
Platform, loading, (associated with a railroad spur or siding—not part of a building)—complete.  
Pole, flag.  
Pool, swimming, (outdoor—not part of a building)—complete.  
Roadway—continuous length of 50 feet or more.  
Sidewalk—continuous length of 50 feet or more.  
Spur or siding, railroad—complete.  
Stand or pit (outdoor), car-washing or greasing.  
Track, railroad—continuous length of 50 feet or more.  
Trees, shrubbery, etc.—entire group in a specific area.

#### *Buildings (Account 15)*

Building—complete; or  
Boiler.  
Conveying system, coal or ash.  
Elevator—complete with operating mechanism.  
Equipment (items, such as the following, with or without associated wiring, control equipment, etc.):  
Compressor.  
Drum, elevator.  
Engine.  
Fan, ventilating.  
Generator.  
Motor.  
Pump.  
Turbine.  
Washer, air.  
Fire escape—complete.  
Floor covering for one room.  
Furnace.  
Gas burner system.  
Heater, hot-water.  
House lighting or power board.  
Oil burner system.  
Roof (with or without supporting members)—entire.

NOTE A: A building of irregular shape having more than one roof level may have several isolated roofs, each of which shall be considered an entire roof. In the case of buildings to which lateral extensions have been made, even though having but one roof level, that part of the roof covering an entire section built at one time shall be considered an entire roof.

Stoker, automatic.  
Tank, oil.  
Window, metal—complete (i. e., box, frame, and sash).

NOTE B: In addition to the above units of property, material (i. e., portions of buildings, equipment, fixtures, etc.) installed and retired, and the labor and incidental costs involved in connection with work of the following character, shall be handled through the plant and depreciation allowance accounts:

(1) Changes in the type of operation of elevator systems, e. g., a change from manual to automatic control of cars, from manual to power operation of doors, from low speed to high speed, from direct to alternating current, from hydraulic to electric operation, from one type of signaling or dispatching system to another.  
(2) Relocation of toilet rooms, battery rooms, kitchens, terminal rooms, machine rooms, transformer vaults, etc.  
(3) Structural changes such as: (a) Reinforcements of floors, roofs, bearing walls, footing, and foundations; (b) additions or relocations of elevator shafts, stairways, fire exits, and vaults, but excluding switchboard cable holes and slots; and (c) building alter-

ations required for fire protection and other safety measures.

(4) Changes in the type of electric current supply, or of ventilating, air conditioning, or similar systems.

(5) Building enlargements.

(6) Replacements of the following character—

(a) Replacements of plumbing or heating pipes (with or without associated valves) except when necessitated by minor repairs or minor relocations of fixtures.

(b) Replacements of all or substantially all the lighting fixtures (with or without associated wiring and conduit) in one operating or equipment room or, in the case of office space, on one floor of a building.

(c) General replacements (throughout a building or throughout an entire portion erected at one time) of items such as supply, return, or air valves in heating systems; hot or cold water valves or faucets; and plumbing, heating, or drainage traps.

#### *Poles (Account 21)<sup>1</sup>*

Crossarm (i. e., wooden crossarm, guard arm, or cable crossarm, including extension arms), with or without associated braces and other hardware.

Fixture, special (i. e., a bridge fixture, a tower or other special river crossing or long-span fixture), with or without associated anchors, guys, steps, etc.

Pole (i. e., line pole, brace pole, guy pole, or pole forming part of an A or H fixture), with or without associated anchors, guys, steps, etc.

#### *Aerial Wire (Account 22)<sup>1</sup>*

Antenna, with or without supports—complete. Equipment such as loading coils, building-out condensers, carrier-line filters, or auto-transformers—case.

Underground dip cable, between poles and/or buildings—section of.

Wire (with or without associated steel pins, insulators, transposition brackets, etc.)—one mile or more of one bare wire, or one thousand (1000) feet or more of one insulated wire.

#### *Aerial Cable (Account 23)<sup>1</sup>*

#### *Underground Cable (Account 24)<sup>1</sup>*

#### *Buried Cable (Account 25)<sup>1</sup>*

#### *Submarine Cable (Account 26)<sup>1</sup>*

#### *House Cable (Account 27)<sup>1</sup>*

#### *Ocean Cable (Account 31)<sup>1</sup>*

Span of cable, with or without associated suspension strand, clamps, rings, etc. (The term "a span" shall include a length of cable from a Y splice not located at a pole to a pole or building.)

Section or run of cable, with or without associated elements and parts, as follows:

(1) Between a manhole, handhole, or service box and a pole, building, fence, wall, or the junction with house cable.

(2) Between manholes, handholes, or service boxes; or between an office cable vault and an office manhole.

(3) Between a cable vault or an office manhole and the junction with the main frame terminating cables.

(4) A section of buried cable 300 feet or more in length, or a section of buried cable between manholes, splicing boxes, or pedestals.

(5) All of a continuous run of one size of house cable.

<sup>1</sup> Ocean-cable carriers may, with respect to pole lines and cables located outside the continental United States, consider as retirement units (1) one entire land section of cable or one continuous mile thereof, whichever is less, and (2) one continuous mile of pole line with or without associated cable, wire, crossarms, and fixtures.



("All of a continuous run of one size" means a section between splices other than straight splices.)

(6) All of a continuous run of one size of block cable, i. e., cable attached to buildings, walls, or fences. ("All of a continuous run of one size" means a section between splices other than straight splices.)

(7) All of a submarine cable for one crossing; or a section of submarine cable 300 feet or more in length.

(8) A section of underground dip cable between poles and/or buildings, or the appropriate units listed above.

(9) A section of ocean cable between two terminal points, or a section involved in re-routing such cable.

Any length of cable which is a continuation of a unit of cable and is replaced with such unit.

Any length of cable connected with but not a part of a terminal, or a case of equipment such as loading coils when replaced with the terminal or case of equipment.

Main frame terminating cable (generally silk and cotton insulated)—All the cables including forms used for terminating one outside cable.

Anchorage, submarine cable.

Cross connecting frame, underground or buried cable.

Equipment such as loading coils, building-out condensers, carrier line filters, or auto-transformers—case.

Frame, submarine or house cable terminating.

Fuse pot.

Hut or house, submarine cable.

Terminal (cable), protected or unprotected, with or without associated balcony, pole seat, pedestal, etc.—complete.

Terminal (pressure contactor), with or without contactor.

#### *Underground Conduit (Account 28)*

Conduit, section of—

(1) Between two manholes, handholes, or service boxes.

(2) Between a manhole, handhole, or service box and a pole or building.

(3) Between an office cable vault and an office manhole.

(4) Underground dips—between two poles; between a pole and a building; between two buildings; or units (1) and (2) above.

Manhole, handhole, or service box.

NOTE: When a manhole is reconstructed, i. e., enlarged or changed in design, the investment representing the portions of the manhole removed, whether or not replaced, shall be written off to the depreciation allowance account.

#### *Pneumatic Tubes (Account 29)*

Manhole or handhole.

Tubing, with or without protective covering, section of—

(1) Between two manholes or handholes.

(2) Between a manhole or handhole and a building or the junction with a house tube line.

(3) A section of buried tubing 300 feet or more in length.

(4) Any length of tubing that is a continuation of a unit of tubing and is replaced with such unit.

#### *Message Transmitting and Receiving Equipment (Account 41) and Repeater and Terminal Equipment (Account 42)*

Each principal item of equipment, such as: Amplifier or magnifier—signal shaping or synchronizing power.

Anti-induction equipment, wired and equipped—cabinet or rack of.

Artificial line (ocean cable).

Bay, alternator.

Cabinet (wired)—balancing, cable switching relay, concentrator equipment, fork control, impulse unit, self-service telegraph, or switching equipment.

Concentration unit or concentrator.

Console, printer.

Modulator group.

Network, balancing or sending (ocean cable).

Pacer, transmission.

Perforator or reperforator (cable code).

Printer or printer-perforator.

Rack (wired), with or without equipment.

Reactor, resonant.

Recorder (facsimile).

Recorder or relay (ocean cable).

Repeater.

Selector, way station.

Set—composite, Morse, terminal, or test.

Shunt, magnetic.

Speed matcher (ocean cable).

Station, telephone.

Table (wired), with or without equipment.

Tape puller, motor driven.

Temperature control—artificial line (not part of building).

Terminal, carrier or carrier channel.

Transceiver (facsimile).

Translator (ocean cable).

Transmitter (facsimile or ocean cable).

Turret, reperforator switching.

Writer, direct.

#### *Switchboards and Distributing Frames (Account 43)*

Each principal item of equipment, such as: Frame—cross or distributing—section thereof.

Set, test.

Switchboard or section thereof.

#### *Pneumatic Tube and Conveyor Equipment (Account 44)*

Each principal item of equipment, such as:

Blower plant.

Compressor plant.

Conveyor—belt, cord, or strap.

Gravity drop or duct (not part of building or belt conveyor).

Terminal equipment—distant, home, or intermediate station.

Tubing, pneumatic—complete run in a building between terminals.

#### *Power Equipment (Account 45)*

Each principal item of equipment, such as:

Battery—primary or storage (except dry cells)—with or without rack.

Bench or panel—motor-generator (separate or combined).

Board or panel—battery charging.

Circuit breaker (not a component part of other listed items).

Generator—motor, engine, or turbine.

Meter—watt-hour or demand.

Power distribution installation.

Rectifier.

Transformer.

#### *Messenger Call Circuit Equipment (Account 46)*

Each principal item of equipment, such as:

Annunciator.

Box, call.

Register, call circuit.

Switchboard, call circuit.

#### *Time Service Equipment (Account 47)*

Each principal item of equipment, such as:

Clock—control, master, or service.

Control equipment, time stamp.

Repeater, time service.

Switchboard—time service, or time-messenger.

Synchronizing equipment, motor driven.

#### *Ticker and Commercial News Service Equipment (Account 48)*

Each principal item of equipment, such as:

Bench, work.

Keyboard, ticker-transmitter.

Pedestal, ticker.

Perforator, keyboard.

Printer.

Printer-perforator.

Repeater.

Switchboard or section thereof (ticker).

Table, ticker—auxiliary switchboard, operating, or test.

Ticker.

Unit, ticker branch station.

#### *Office Cable and Conduit (Account 49)*

The entire cable and conduit installation in a single office.

A replacement at a single office under a single (but not unduly parceled) project when the cost of the plant retired exceeds \$1,000 or 10% of the cost of all the plant represented in the account for that office.

#### *Equipment Furnished Customers (Account 51)*

The retirement units for this account shall correspond to those designated for comparable equipment in carriers' offices.

#### *Other Inside Communication Plant (Account 59)*

Each principal item of equipment.

NOTE: The retirement units for equipment in schools shall correspond to those designated for comparable equipment in operating offices.

#### *Furniture and Office Appliances (Account 61)*

Each principal item of equipment, such as:

Air-conditioning unit (not part of building).

Bed, cot, couch, chest, dresser, or stand.

Book case.

Cabinet or locker—file or storage (except in storerooms).

Caldron or kettle, large.

Carpet, rug, or other floor covering.

Cart, utility service.

Cash register.

Cashier's cage—detachable.

Chair, stool, or bench.

Clock.

Counter or bin.

Crockery or glassware—all at one location.

Cutlery or silverware—all at one location.

Desk or table.

Dictaphone.

Disposal unit, garbage.

Fire extinguisher—refillable.

Heater, electric.

Inter-office communicating system.

Lamp—floor or desk.

Machine—addressing, baling, billing, book-keeping, computing, dishwashing, grinding, ironing, mixing, polishing, pressing, punching, recording, scrubbing, sewing, shoe-shining, slicing, sorting, stenographic, tabulating, washing.

Movie projector.

Oven (not part of a building).

Platform, movable.

Pots, pans, and other cooking utensils—all at one location.

Rack or costumer.

Rack, bicycle.

Radio or phonograph.

Range or hotplate—gas or electric.

Recreation equipment (such as a pool table).

Refrigerator.

Safe.

Scales.

Screen, folding.

Shelving, removable—all at one location.

Stamp, time.

Table—kitchen, cold, or steam.



Tank, movable.  
Toaster, percolator, or other electric appliance.  
Typewriter.  
Urn, coffee or hot water.  
Vacuum cleaner.  
Vat (not attached to building).  
Vending machine.  
Ventilator.  
Water cooler.  
Wringer, copy—motor driven.

*Other Office and Messenger Equipment*  
(Account 69)

Each principal item of equipment.

*Vehicles (Account 71)*

Each complete item of equipment (the original cost of which was charged to the plant account), such as:  
Automobile, passenger.  
Derrick, pole.  
Earth boring machine.  
Tractor.  
Trailer.  
Truck, with or without body.  
Winch, power.

*Shop Equipment (Account 72)*

Each principal item of shop equipment, such as:

Air compressor.  
Anvil.  
Bench, work.  
Blower.  
Boiler, with or without piping or equipment.  
Boring mill.  
Box, bin, or rack.  
Buffer.  
Cabinet, storage.  
Compressed air tool.  
Converter.  
Crane.  
Derrick.  
Drill, power.  
Engine.  
Fire extinguisher.  
Forge.  
Generator.  
Gas producer.  
Grinder, power.  
Hammer, power.  
Hoist.  
Ladder.  
Lathe.  
Loader, power.  
Locker, storage.  
Milling machine.  
Motor (not part of another unit).  
Planer.  
Power board.  
Pneumatic tool.  
Press.  
Pump.  
Pump, gasoline.  
Pump, oil.  
Riveter.  
Saw, power.  
Scale.  
Shelving, movable—section of.  
Spray gun.  
Stocks and dies—set of.  
Table, repair or paint.  
Testing set, non-portable.  
Time clock.  
Torch.  
Transmission shaft, power, with or without pulleys.  
Truck, hand.  
Vise.  
Winch.  
Wire measuring machine.

*Store and Warehouse Equipment*  
(Account 73)

Each principal item of store and warehouse equipment, such as:

Barrow.  
Bench, work.  
Box, bin, or rack.

Cabinet, storage.

Cart.  
Conveyor.  
Counter.  
Crane.  
Hoist.  
Ladder.  
Pump.

Scale.  
Shelving—section of.  
Tank.

Tools and implements used in a storeroom (as listed under account 74)—unit of.  
Truck, hand.  
Wire measuring machine.

*Tools and Implements (Account 74)*

Each principal item of tools and implements, such as:

Air compressor, mobile.  
Back filling machine.  
Blower, power.  
Concrete mixer.  
Crane, mobile.  
Derrick, mobile.  
Drill or hammer, power.  
Earth boring machine, (not part of a truck or tractor).  
Forge, portable.  
Loader, power.  
Vacuum cleaner, industrial type.  
Wire measuring machine.

*Floating Equipment (Account 75)*

Each principal item of floating equipment, such as:

Anchor chain or cable.  
Barge.  
Boat, life.  
Boiler.  
Crane or winch (loading and lifting).  
Engine.  
Furnishings of one cabin or room.  
Generator.  
Hull.  
Inside communication equipment installed on floating equipment—unit of.  
Mast, with or without rigging.  
Motor.  
Rotor.  
Ship, boat, launch, or other vessel, with or without associated equipment and appurtenances.  
Shop equipment installed on floating equipment—unit of.  
Store and warehouse equipment installed on floating equipment—unit of.  
Superstructure—all constructed at one time.

*Railway Equipment (Account 76)*

Each principal item of railway equipment, such as:

Body or tank, car.  
Car, hand.  
Car, motor driven.  
Car, push.  
Car, railway, with or without associated equipment and appurtenances.  
Inside communication equipment installed on a railway car—unit of.  
Interior furnishings of an office, bunk, sleeping, kitchen, or dining car.  
Shop equipment installed on a railway car—unit of.  
Store and warehouse equipment installed on a railway car—unit of.  
Trucks, car—set of.  
Underframe, car.  
Velocipede.

*Emergency Facilities (Account 77)*

Each principal item of emergency facilities, such as:

Cable, emergency—continuous length of 50 feet or more.  
Engine generator set—complete; or  
Engine.  
Generator.  
Transmission equipment, portable—all the equipment in one truck or trailer.

*Laboratory Equipment (Account 78)*

Each principal item or an important component unit of an assembly or installation.

FEDERAL COMMUNICATIONS  
COMMISSION,

[SEAL] T. J. SLOWIE,  
Secretary.

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96923  
TITLE 46—SHIPPING

Chapter II—United States Maritime  
Commission

SUBCHAPTER C—REGULATIONS AFFECTING  
SUBSIDIZED VESSELS AND OPERATORS

PART 290—FORMS

STANDARD PROVISIONS OF OPERATING  
DIFFERENTIAL SUBSIDY AGREEMENTS

Section 290.11 is hereby revised to read:

§ 290.11 *Operating-Differential Subsidy Agreement; Part II, General Provisions.* The United States Maritime Commission, on July 13, 1949, adopted a revised standard form of Operating-Differential Subsidy Agreement, incorporating general provisions applicable to existing and future Operating-Differential Subsidy Agreements made under authority of Title VI of the Merchant Marine Act, 1936, as amended (46 U. S. C., Ch. 27, Subch. VI), and, on December 21, 1949, directed that certain modifications of said Agreement be made.

Copies of the Agreement, identified as Part II, General Provisions, Operating-Differential Subsidy Agreement, and copies of the modifications thereof, made pursuant to said Commission direction of December 21, 1949, may, upon request, be obtained by persons having a proper interest, upon application at the office of the Secretary, United States Maritime Commission, Washington 25, D. C.

(Sec. 204, 49 Stat. 1987, as amended; 46 U. S. C. 1114)

By order of the United States Maritime Commission.

[SEAL] A. J. WILLIAMS,  
Secretary.

DECEMBER 21, 1949.

[F. R. Doc. 49-10623; Filed, Dec. 30, 1949;  
8:55 a. m.]

96924-6928  
[Gen. Order 71]  
PART 291—DEFINITION OF CAPITAL NECESSARILY EMPLOYED IN THE BUSINESS

§ 291.5 *Definition of capital necessarily employed in the business.* Pursuant to section 607 (d) of the Merchant Marine Act, 1936, as amended (46 U. S. C. 1177 (d)), "capital necessarily employed in the business" is defined to be that part of the net worth of a contractor as of the beginning of the accounting period, as defined in paragraph (f) (2) of this section (subject, however, to such interim adjustments as may be provided in this section), properly allocated to and required in the business of operating subsidized vessels and services incident thereto, covered by an effective



operating-differential subsidy contract which is represented by and limited to the aggregate of the amounts determined in accordance with the succeeding paragraphs of this section.

(a) *Ship equities.* The sum of the allowable financial equities of the contractor shall be determined, on a ship by ship basis (except for the purposes of subdivisions (i), (ii), and (iii) of subparagraph (4) of this paragraph), as set forth in subparagraphs (1) through (7) of this paragraph, with respect to vessels owned by the contractor and covered by an effective operating-differential subsidy contract as of the beginning of the accounting period (except as otherwise specifically provided in this paragraph), to the extent of the use in relation to time that such vessels are employed under such operating-differential subsidy contract during the accounting period, including the time the vessels are in idle status incident to normal operations of the vessels or resulting from unavoidable causes; subject, however, in particular cases to the provisions of section 606 (2) of the Merchant Marine Act, 1936, as amended (46 U. S. C. 1176 (2)).

(1) *Acquisition cost.* The cost of the vessel to the contractor shall be ascertained as set forth in the following subdivisions (i) and (ii) of this subparagraph:

(i) If the vessel was acquired for cash paid in full, or for cash in part and deferred payments for the balance, the acquisition cost of the vessel shall be determined to be the amount of the cash paid in full or the cash paid in part, plus the principal amount of the deferred payments, except as provided in subdivision (ii) of this subparagraph.

(ii) If the vessel was acquired from a related company or for a consideration other than cash, the cost of the vessel shall be determined as provided in Part 284 (General Order 24, 2d Revision, 14 F. R. 7589) of this chapter.

(2) *Improvements.* To the cost of the vessel, as determined in subparagraph (1) of this paragraph, shall be added such of the contractor's capital expenditures for improvements added to the vessel as are determined by the Maritime Commission to be properly capitalizable in conformity with the provisions of Part 284 (General Order 24, 2d Revision, 14 F. R. 7589), of this chapter and not reflected in the initial acquisition cost or in any adjustment of the purchase price of the vessel under section 9 of the Merchant Ship Sales Act of 1946 (U. S. C. title 50 App. 1742). Improvements so found to be properly capitalizable shall be added to the acquisition cost of the vessel determined pursuant to subparagraph (1) of this paragraph, as of the beginning of the accounting period next succeeding the end of the month during which such improvements are completed.

(3) *Depreciation.* From the amount determined pursuant to subparagraphs (1) and (2), of this paragraph there shall be deducted depreciation accrued for the period beginning with the date of acquisition of the vessel by the contractor and terminating with the beginning of the accounting period, computed on the basis

of a 20-year useful life from the date of the delivery of the vessel by the shipyard, or that portion of a 20-year useful life which remains unexpired as of the date of acquisition by the contractor. With respect to capital expenditures not reflected in the original acquisition cost of the vessel, or in any adjustment under section 9 of the Merchant Ship Sales Act of 1946 (U. S. C. title 50 App. 1742), depreciation shall be computed on the basis of that portion of a 20-year useful life of the vessel which remains unexpired at the end of the month during which the capitalizable items are completed. Such depreciation shall not be deducted in determining "capital necessarily employed in the business" for the accounting period in which falls the date of completion, but depreciation from the end of such month of completion to the beginning of the next accounting period shall be taken into account for the purposes of such succeeding accounting period and all subsequent accounting periods thereafter.

(4) *Funded depreciation.* To the amount determined pursuant to subparagraphs (1), (2), and (3) of this paragraph there shall be added funded depreciation in an amount up to, but not to exceed, depreciation charges (within the limits of accrued depreciation computed pursuant to subparagraph (3) of this paragraph) which at the beginning of the accounting period have been deposited (together with the amounts accrued for deposit) as of such date, in the Capital Reserve Fund of the contractor pursuant to law or contract (referred to in this section as "limited funded depreciation"), to the extent the same has not been reduced by withdrawals therefrom. Withdrawals for the purpose of this subparagraph (4) of this paragraph include those defined in the following subdivisions (i) through (iii) of this subparagraph:

(i) Withdrawals from the Capital Reserve Fund for the purpose of making payments of the maturities of mortgage indebtedness on subsidized vessels shall be deemed to have been made out of the "limited funded depreciation" to the extent of the aggregate of the "limited funded depreciation."

(ii) Withdrawals from the Capital Reserve Fund for the prepayment of mortgage notes or for other purposes shall be deemed to have been made from sources of deposit other than the "limited funded depreciation" provided and to the extent that the aggregate "limited funded depreciation" is not encroached upon, and out of the "limited funded depreciation," if and when and to the extent that the available funds in the Capital Reserve Fund, including accrued deposit requirements, are reduced below an amount equal to the then balance of the aggregate accrued depreciation charges (within the limits of accrued depreciation computed pursuant to subparagraph (3) of this paragraph); and

(iii) If the "limited funded depreciation" in the aggregate shall have been depleted in whole or in part by reason of withdrawals therefrom, in accordance with the preceding subdivisions (i) and (ii) of this subparagraph, and the contractor, with the approval of the Mar-

itime Commission, makes or has made deposits in the contractor's Capital Reserve Fund not required by statute, or transfers from its Special Reserve Fund to its Capital Reserve Fund amounts theretofore deposited in the Special Reserve Fund but not required by statute, such voluntary deposits and transfers authorized by the Maritime Commission may be deemed to have replenished the "limited funded depreciation" in the aggregate up to but not to exceed in amount the extent of such prior withdrawals: *Provided*, That, for the purpose of this subdivision, amounts transferred from the Special Reserve Fund to the Capital Reserve Fund shall be deemed to have been transferred out of amounts voluntarily deposited in the Special Reserve Fund to the extent of the amounts so deposited and not previously transferred or withdrawn.

(5) *Mortgage indebtedness.* From the amount ascertained pursuant to subparagraphs (1) through (4) of this paragraph, there shall be deducted the balance of principal mortgage indebtedness, if any, remaining unpaid with respect to the vessel.

(6) *Vessels subject to section 9 of the Merchant Ship Sales Act of 1946.* If the acquisition cost of a vessel is adjusted pursuant to the provisions of section 9 of the Merchant Ship Sales Act of 1946 (U. S. C. title 50 App. 1742), the contractor's equity in such vessel shall be determined on the basis of the original acquisition cost for the period prior to the date of the adjustment agreement; for the period thereafter, the contractor's equity in such vessel shall be determined on the basis of the statutory sales price computed by the Maritime Commission in accordance with section 3 (d) of the said act (U. S. C. title 50 App. 1736 (d)). If the contractor, in connection with an adjustment under section 9 of the Merchant Ship Sales Act of 1946 (U. S. C. title 50 App. 1742), shall have received cash and have deposited such cash in its Capital Reserve Fund, it shall be deemed to be a voluntary deposit for the purpose of replenishing any deficiency in "limited funded depreciation" effective as of the date of the adjustment agreement.

(7) *Vessels covered during the accounting period.* With respect to a vessel owned by the contractor which is covered by an effective operating-differential subsidy contract during the accounting period, the allowable financial equities of the contractor in such a vessel shall be included in determining capital necessarily employed for the pro rata portion of the accounting period that such a vessel is subject to the contractor's operating-differential subsidy contract; the measure of such equities shall be determined in accordance with subparagraphs (1) through (6) of this paragraph: *Provided*, That the measure of the equities shall be taken as of the date the vessel is placed under the operating-differential subsidy contract: *And provided further*, That in no case shall there be a duplication of allowances of sums under this section.

(b) *Working capital.* The amount required to pay the expenses of operating



and maintaining the subsidized vessels, covered by an effective operating-differential subsidy contract, in the most efficient and economical manner, to the extent of the use in relation to time that such vessels are employed under such operating-differential subsidy contract during the accounting period, including the time the vessels are in idle status incident to normal operations of the vessels or resulting from unavoidable causes, subject, however, in particular cases to the provisions of section 606 (2) of the Merchant Marine Act, 1936, as amended (46 U. S. C. 1176 (2)), shall be ascertained as set forth in the following subparagraphs (1) through (3) of this paragraph.

(1) *Average voyage expenses.* Subject to the provisions of subparagraph (2) of this paragraph, working capital shall be determined on the basis of the actual expenses of operating and maintaining the subsidized vessels for a period represented by the average length of time of all round voyage calculated separately for each subsidized service. This determination shall be made in the following manner: First by dividing the sum of such expenses for the accounting period involved applicable to the subsidized vessels in each such service by the aggregate number of days consumed in all voyages of such vessels in each such service terminating during such period; second by multiplying the quotient thus obtained by the number of days in the average voyage in each such service; and third by multiplying the resulting product by the quotient of the total number of days consumed in voyages of subsidized vessels in each such service terminating during the accounting period divided by the number of calendar days within the accounting period. The expense of operating and maintaining the subsidized vessels shall include overhead allowed by the Maritime Commission, and wages, subsistence, stores, supplies, equipment, fuel, maintenance, repairs, insurance, other vessel expense (but excluding hire paid on chartered vessels), port expense, cargo expense, brokerage expense, and other voyage expense. For the purposes of this section, if, in any instance, the average subsidized voyage in any subsidized service is of less than ninety (90) days' duration, the expense of Hull and Machinery and P & I insurance shall be determined to be that for a period of ninety (90) days: *Provided*, That such allowance for insurance expense shall not, in the aggregate, exceed the total actual insurance expense for the accounting period.

(2) *Limitation of working capital.* In no event shall the amount allowed under subparagraph (1) of this paragraph exceed the sum of the items listed in subdivision (i) of this subparagraph minus the sum of the items listed in subdivision (ii) of this subparagraph as of the beginning of the accounting period adjusted as provided in subdivision (iii) of this subparagraph.

(i) The total of the following items shall be ascertained:

(a) Total current working assets (less non-shipping inventories);

(b) Unterminated voyage expense;

(c) Deferred charges and prepaid expenses;

(d) Amounts deposited to guarantee performance of statutory or contractual obligations relating to the operation of the subsidized vessels and services incident thereto;

(e) Pending claims of a nature customarily covered by insurance with respect to which, pursuant to this section 291.5, working capital allocated to the operation of the subsidized vessels and services incident thereto is reduced by reason of the items constituting the basis of such claims having been paid or having been taken into account through the setting up of a corresponding liability in accordance with sound accounting practice.

(ii) The total of the following items shall be ascertained and subtracted from the total of the items in subdivision (i) of this subparagraph:

(a) Total current working liabilities (less mortgage notes payable from the Capital Reserve Fund);

(b) Borrowed capital in any form;

(c) Untermated voyage revenue;

(d) Advance ticket sales and deposits;

(e) Deferred credits;

(f) Sundry operating reserves (to the extent created by charges to income).

(iii) From the amount determined under subdivisions (i) and (ii) of this subparagraph there shall be deducted the results determined pursuant to subdivisions (a), (b), and (c), as follows:

(a) All accrued mandatory deposits and all accrued voluntary deposits which the Maritime Commission has authorized the contractor to make in the Capital Reserve Fund and Special Reserve Fund;

(b) The amount of working capital, if any, which the Maritime Commission in its discretion determines to be fair and reasonable and employed in the business of operating unsubsidized vessels whose earnings are not subject to the reserve and recapture provisions of the operating subsidy contract computed as far as may be practicable on the same basis as is prescribed in this section with respect to working capital employed in the operation of subsidized vessels and services incident thereto;

(c) The amount of working capital, if any, which the Maritime Commission in its discretion determines to be fair and reasonable and employed in any business activity other than the operation of vessels.

(c) *Miscellaneous items.* There shall be included as "capital necessarily employed in the business" the amounts determined, as of the beginning of the accounting period, pursuant to subparagraphs (1) through (9) of this paragraph:

(1) *Spare parts.* The acquisition cost (or other applicable acquisition base) of shoreside reserve spare parts and spare equipment (if the value thereof is not included among current working assets) held for the use of the subsidized vessels may be included as determined by the Maritime Commission, subject to subparagraph (3) of this paragraph.

(2) *Office furniture and fixtures.* The depreciated cost of office furniture and fixtures properly allocated to the operation and maintenance of the subsidized vessels may be included as determined

by the Maritime Commission, subject to subparagraph (3) of this subparagraph.

(3) *Limitation.* In no event shall the total of the sums allowed under subparagraphs (1) and (2) of this subparagraph exceed two and one-half per cent (2½%) of the aggregate acquisition cost (or other applicable acquisition base) of the subsidized vessels.

(4) *Other floating equipment.* The portion of the equity in other floating equipment (the fair and reasonable cost as determined by the Maritime Commission, less depreciation, and less indebtedness, if any) may be included only if and to the extent that the Maritime Commission determines that such other floating equipment is essential to the efficient and economical operation and maintenance of the subsidized vessels.

(5) *Other physical assets.* The portion of the equity in a physical asset (the fair and reasonable cost as determined by the Maritime Commission, less depreciation, and less indebtedness, if any), other than such assets as are specified in this section or included among current working assets, may be included if the Maritime Commission shall find and determine that such physical asset is essential to the efficient and economical operation of the subsidized vessels and is of a kind not otherwise economically available to the contractor, and then, only to the extent of the ratio that the depreciated cost of the portion of the asset actually required and used by the contractor in the operation of the subsidized vessels bears to the full depreciated cost of the asset, and the ratio that the time the asset is required and used by the contractor in connection with the operation of the subsidized vessels during the accounting period bears to the full accounting period.

(6) *Assets of a wholly owned subsidiary.* The assets of a wholly owned subsidiary may be included, in whole or in part, only if and to the extent the Maritime Commission determines that such assets are essential to and are used in the operation of the subsidized vessels.

(7) *Certain deposits in the Special Reserve Fund.* Amounts required to be retained in the Special Reserve Fund of the contractor, pursuant to clause 3 of section 607 (c) of the Merchant Marine Act, 1936, as amended (46 U. S. C. 1177 (c) (3)), less deferred recapture liability, if any, shall be included to the extent remaining on deposit from and after the end of the recapture period last preceding, or current on the day preceding, the effective date of this section, and at the end of each subsequent recapture period computed, however, on the basis of 5% of capital necessarily employed as determined under all the other provisions of this section. Such Special Reserve deposits shall only be allowed if and to the extent the same continue under deposit, but if the amount of such deposit becomes depleted in whole or in part by reason of withdrawals authorized by said Act and if the contractor makes, with the approval of the Maritime Commission, deposits in its Special Reserve Fund not required by statute, such voluntary deposits shall be deemed to have replenished the amounts required to be



retained, up to but not to exceed in amount the extent of such withdrawals.

(8) *Certain deposits in the Capital Reserve Fund.* If the contractor shall have entered into a contract for the purchase or the improvement (including betterment) of a vessel required to be operated in the subsidized routes, lines, or services, under the provisions of the contractor's operating-differential subsidy contract, or shall have been directed by Maritime Commission action to make or reserve deposits in its Capital Reserve Fund, in excess of funded depreciation as determined pursuant to paragraph (a) (4) of this section, for the purpose of entering into a construction program as provided for in title V of the Merchant Marine Act, 1936, as amended (46 U. S. C., Ch. 27, Subch. V), the amounts required to make or complete the down payment on the purchase price of the vessel or vessels, or the improvements, or the required deposits (but not in excess of 25% of the purchase price of the vessel or vessels, unless otherwise determined by the Maritime Commission, or 100% of the cost of the improvements, or 100% of the required deposits) shall be included as and from the effective date of the contract for the purchase or improvement of the vessel or vessels, or of the required deposit, to the extent of amounts then on deposit in the Capital Reserve Fund other than those representing "limited funded depreciation": *Provided, however,* That the Maritime Commission reserves the right to require, as a condition to the granting of such allowance, that the contractor, concurrently with the execution of the purchase or improvements contract or within ninety days from the publication date of this section, whichever date shall last occur, shall establish a construction fund under an agreement satisfactory to the Commission, or make the required deposits.

(9) *Capital investments; progress payments.* To the extent not otherwise provided for in subparagraph (8) of this paragraph, the amounts of progress payments made by the contractor with respect to vessels being constructed for operation in the subsidized routes, lines, or services, under the provisions of the contractor's operating-differential subsidy contract may be included to the extent determined by the Maritime Commission to constitute capital investments.

(d) *Capital employed in the operation of certain unsubsidized vessels.* The amount determined by the Maritime Commission as capital necessarily employed in the operation of unsubsidized vessels, with respect to which vessels the Maritime Commission specifically imposes the requirement that the financial results of the operations of such unsubsidized vessels shall be taken into account under the reserve and recapture provisions of the contractor's operating-differential subsidy contract, may be included in determining "capital necessarily employed in the business" and such vessels shall be considered "subsidized vessels" for the purposes of paragraph (b) (1) of this section.

(e) *Interim additions and deductions.* In addition to the adjustments otherwise provided in this section, interim adjustments shall be made in accordance with subparagraphs (1) through (3) of this paragraph.

(1) *Additions to and withdrawals of capital.* Additions to capital, such as cash realized from the sale of stock, paid in surplus, etc., and withdrawals of capital, if and to the extent that such additions and withdrawals involve assets taken into account in the determination of "capital necessarily employed in the business" pursuant to the other provisions of this section, shall be included or deducted (as the case may be) in the computation of "capital necessarily employed in the business", pro rata, on the basis of the proportion of such additions or withdrawals represented by the relation that the number of days from the date thereof to the end of the accounting period bears to the total number of days within such period, this proportion to be allocated to or between "capital necessarily employed in the business" in subsidized and in unsubsidized operations in the manner prescribed in this section.

(2) *Capital gains and capital losses.* Capital gains and capital losses (except as otherwise provided in this section with respect to the acquisition, loss, sale, or other disposition of vessels) and earnings (or losses) for any accounting period with respect to which this section is effective shall be included in the computation of "capital necessarily employed in the business" only from the end of the accounting period in which realized (or sustained). Dividends paid out of earnings that have not been included in "capital necessarily employed in the business" shall not be deducted from "capital necessarily employed in the business."

(3) *Increases in indebtedness.* If, during the accounting period, the contractor increases his indebtedness and the consideration received therefor is not reflected as an element of capital necessarily employed otherwise allowable under this section, there shall be an interim adjustment on account of the net decrease in capital necessarily employed resulting from such increase in indebtedness to be applied against ship equities if the indebtedness is secured by a mortgage on the subsidized vessels, or against working capital limitations if otherwise secured or not secured. Indebtedness, for the purposes of this section, means any indebtedness secured by any fixed asset of the contractor or any unsecured indebtedness other than routine trade indebtedness incurred in the ordinary conduct of business.

(f) *Description of terms.* (1) All terms used in this section, where applicable, shall have the meaning described in the instructions embodied in the form of "General Financial Statement" prescribed by the Maritime Commission.<sup>1</sup>

<sup>1</sup> Copies of the "General Financial Statement" may, upon request, be obtained by persons having a proper interest, upon application at the Office of the Secretary, United States Maritime Commission, Washington 25, D. C.

(2) The term "accounting period", as used in this section, shall have the meaning of "accounting year", or applicable portion thereof, with respect to which a determination of "capital necessarily employed in the business" is required to be made pursuant to sections 603 (c), 607 (a), 607 (b), and 607 (e) of the Merchant Marine Act, 1936, as amended (46 U. S. C. 1173 (c), 1177 (a), 1177 (b), and 1177 (e)), as said sections are construed by the Maritime Commission.

(3) The term "recapture period", as used in this section, shall have the meaning of "any ten year period", or applicable portion thereof, with respect to which recapture of excessive profits is required pursuant to section 606 (5) of the Merchant Marine Act, 1936, as amended (46 U. S. C. 1176 (5)), as said section is construed by the Maritime Commission.

(g) *Effective date.* The effective date of this section shall be the day next following the termination of the recapture period which was current on December 31, 1946, with respect to an operating-differential subsidy contract then effective. With respect to an operating differential subsidy contract made after December 31, 1946, the effective date of this section shall be the date specified in the contract as the effective date thereof.

(Sec. 607 (d), 49 Stat. 2005, as amended; 49 U. S. C. 1177 (d))

By order of the United States Maritime Commission.

[SEAL]

A. J. WILLIAMS,  
Secretary.

DECEMBER 21, 1949.

[F. R. Doc. 49-10622; Filed, Dec. 30, 1949; 8:56 a. m.]

## TITLE 49—TRANSPORTATION

### Chapter I—Interstate Commerce Commission

#### Subchapter B—Carriers by Motor Vehicle

#### PART 205—REPORTS OF MOTOR CARRIERS

##### MOTOR CARRIER ANNUAL REPORT FORM A

At a session of the Interstate Commerce Commission, Division 1, held at its office in Washington, D. C., on the 29th day of July A. D. 1949.

The matter of Annual Reports from Class I Motor Carriers of Property and Class I Motor Carriers of Passengers being under consideration:

*It is ordered,* That the order of October 11, 1945, in the Matter of Annual Reports from Class I Motor Carriers of Property and Class I Motor Carriers of Passengers be, and it is hereby modified with respect to annual reports for the year ended December 31, 1949, and subsequent years, as follows:

§ 205.1 *Form prescribed for annual reports.* Each Class I Common and Con-



tract Motor Carrier of Property and each Class I Common and Contract Motor Carrier of Passengers shall file under oath an annual report for the year ending December 31, 1949, and for each succeeding year until further order, in accordance with Motor Carrier Annual Report Form A (Class I Motor Carriers of Property and Passengers)<sup>1</sup> which is hereby

approved and made a part of this order. The annual report shall be filed, in duplicate, in the Bureau of Accounts and Cost Finding, Interstate Commerce Commission, Washington, D. C., on or before March 31 of the year following the one to which it relates.

(49 Stat. 563, sec. 24, 54 Stat. 926; 49 U. S. C. 320)

NOTE: The reporting requirement of this order has been approved by the Bureau of the Budget in accordance with the Federal Reports Act of 1942.

By the Commission, Division 1.

[SEAL]

W. P. BARTEL,  
Secretary.

[F. R. Doc. 49-10587; Filed, Dec. 30, 1949; 8:47 a. m.]

## PROPOSED RULE MAKING

### DEPARTMENT OF AGRICULTURE

#### Production and Marketing Administration

#### [7 CFR, Part 927]

[Docket No. AO 71-A-20]

#### HANDLING OF MILK IN NEW YORK METROPOLITAN MILK MARKETING AREA

#### NOTICE OF HEARING ON PROPOSED AMENDMENTS TO TENTATIVE MARKETING AGREEMENT AND TO ORDER, AS AMENDED

Pursuant to the provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U. S. C. 601 et seq.), and the applicable rules of practice and procedure, as amended, governing the formulation of marketing agreements and marketing orders (7 CFR, Part 900), notice is hereby given of a public hearing to be held at the Mark Twain Hotel, Elmira, New York, beginning at 10 a. m., e. s. t., January 24, 1950, for the purpose of receiving evidence with respect to proposed amendments to the tentative marketing agreement and to the order, as amended, regulating the handling of milk in the New York metropolitan milk marketing area.

Evidence will be received at this hearing with respect to transportation differentials, the classification and pricing of Class III milk, and the proposed amendments hereinafter set forth, or appropriate modifications thereof. These proposed amendments have not received the approval of the Secretary of Agriculture. The following specific proposals have been submitted for consideration at the hearing:

1. Proposed by Metropolitan Cooperative Milk Producers' Bargaining Agency, Inc.:

Amend § 927.4 (a) (3) (v) and (vi) to read as follows:

(v) The classification of milk shipped in the form of milk to a plant outside New York State, Vermont, Connecticut, Massachusetts or Pennsylvania shall be determined at the plant from which the milk is so shipped.

(vi) The classification of milk the butterfat from which is shipped in the form of cream to a plant outside New York State, Vermont, Connecticut, Massachusetts or Pennsylvania or, during the months of April, May or June outside all such States and the States of Maine, New Hampshire, Rhode Island, Mary-

land, Delaware or Ohio shall be determined at the plant from which the cream is so shipped.

2. Proposed by Adler's Creamery, Inc.:

a. Amend § 927.4 (c) (5) by adding the following subdivision:

(iv) Should a milk handler be placed at a competitive disadvantage due to the operation of another Federal or State milk marketing order, then the market administrator shall allow milk used for any manufactured product, the classification of which is not established in some other class named in this paragraph, to be classified as Class III regardless of the form in which it leaves the pool plant, provided the records of the manufacturer can be audited and are found to indicate clearly the receipt and disposition of such milk in such manufactured product.

Or, as an alternative:

b. Amend § 927.4 (c) (3) by adding: "except that such milk if utilized in such plant or by such purchaser in the manufacture of food products packed and sold in hermetically sealed containers, may be classified as provided in subparagraph (5) of this paragraph."

And:

Amend § 927.4 (c) (5) by changing subdivision (iii) to subdivision (iv) and by adding a new subdivision (iii) to read:

(iii) All milk the butterfat from which leaves or is on hand at the plant in the form of milk or cream and which is delivered to a plant or purchaser outside the marketing area and is there utilized in the manufacture of food products packed and sold in hermetically sealed containers.

Or, as an alternative:

c. Amend § 927.1 (h) by adding, after the words "milk or milk products" the words "or for the manufacture of food products of which milk or milk products constitute a substantial part".

3. Proposed by Farmers Union, Northeastern Division:

a. Amend § 927.4 (c) (5) by deleting all except subdivision (ii) thereof, and by substituting the following:

(i) Class III-A milk shall be all the milk the butterfat from which leaves or is on hand at a plant in the form of cream, or fluid cream products which cream, fluid cream products, or cultured or flavored milk drinks are not moved to a plant or sold in the marketing area; or in the form of frozen desserts or homogenized mixtures; or in the form of some product the classification of

which is not established in some other class named in this paragraph.

(iii) Class III-B milk shall be all the milk the butterfat from which leaves or is on hand at a plant in the form of evaporated milk in hermetically sealed cans, sweetened condensed milk, milk chocolate and other candy products, milk powder, malted milk powder, or cheeses other than those specified elsewhere in this paragraph.

(iv) Class III-C milk shall be all the milk the butterfat from which leaves or is on hand at a plant in the form of butter.

(v) Class III-D milk shall be all the milk which leaves or is on hand at a plant in the form of Cheddar cheese, American Cheddar cheese, Colby cheese, washed curd cheese, or part skim Cheddar cheese.

And:

b. Delete § 927.5 (a) (5) and substitute therefor the following:

(5) (i) For Class III-A milk the price shall be computed as follows: To the average, computed and adjusted to 3.5 butterfat content by the market administrator, of prices as reported to the United States Department of Agriculture paid such month to farmers by each of the evaporated milk plants which purchase milk at the places listed in this subparagraph and for which prices are reported, add 22 cents: *Provided*, That in no event shall the price be lower than a price computed by the market administrator as follows: to the average of the highest prices reported daily by the United States Department of Agriculture for U. S. Grade A or U. S. 92-score butter at wholesale in the Chicago market for such month, add 30 percent, multiply by 3.5 and add 7 cents.

#### Location of Evaporated Milk Plants

Greenville, Wis.	Oconomowoc, Wis.
Manitowoc, Wis.	Jefferson, Wis.
Black Creek, Wis.	New Glarus, Wis.
Orfordville, Wis.	Belleville, Wis.
Chilton, Wis.	New London, Wis.
Berlin, Wis.	West Bend, Wis.
Richland Center, Wis.	

(ii) For Class III-B milk the price shall be 10 cents less than the Class III-A price: *Provided*, That in no event shall the price be lower than that of Class III-C in this subparagraph plus 10 cents.

(iii) For Class III-C milk the price shall be the average of prices reported paid farmers for milk used in making butter and creamery byproducts as re-

<sup>1</sup> Filed with the original document.



ported to the United States Department of Agriculture by creameries located in the State of Wisconsin computed and adjusted to 3.5 butterfat content by the market administrator, plus 6.5 cents.

(iv) For Class III-D milk the price shall be the average of prices paid farmers for milk used in making American cheese as reported to the United States Department of Agriculture by cheese plants located in the State of Wisconsin for such month, computed and adjusted to 3.5 butterfat content by the market administrator, plus 10 cents.

And:

- c. Delete § 927.5 (d) (1) and (2); and
- d. Delete § 927.5 (g) (2) (iii) and (v).

4. Proposed by Metropolitan Cooperative Milk Producers Bargaining Agency, Inc.:

Recreate Class II-C as it existed prior to April 1, 1949, by defining the special cream area and the class as they were then defined; fixing the price therefor at 10 cents higher than the Class III price and making all other necessary coordinating amendments.

5. Proposed by North Country Farmers' Association:

a. Amend the order to provide that the price for Class III milk be increased to a minimum of \$3.00 per hundredweight for 3.5 percent milk in the 200-210 mile zone.

b. Consider pricing Class III milk to better insure over-all farm income.

6. Proposed by Independent Milk Marketers, Inc.:

Consider the advisability of reverting to the method employed in Class III pricing prior to April 1, 1949, i. e., different prices for the several utilizations.

7. Proposed by Milk Dealers' Association of Metropolitan New York, Inc., and by Sheffield Farms Company, Inc.:

a. Amend § 927.5 (a) (5) so as to provide that the present handling allowance of 70 cents be increased to an adequate amount in accordance with testimony adduced at the hearing.

b. Amend § 927.5 (a) (5) so as to provide that the Class III price will be based on the price of 92-score butter at wholesale in the New York market in all months of the year, and shall not, at any time, be based on the price of cream in the Boston market.

c. Amend § 927.5 (a) (5) (i) so as to provide that the addition to the price of 92-score butter at wholesale in the New York market shall be 1 cent instead of 2 cents.

d. Consider evidence as to the appropriate amount of the butter-cheese adjustment set forth in § 927.5 (d).

8. Proposed by Association of Ice Cream Manufacturers of New York State: Amend § 927.5 (a) (5) as follows:

a. Delete "70" and insert such higher amount, sufficient to equal handling costs, as the evidence may establish.

b. Delete the last sentence preceding subdivision (i), including the proviso clause.

c. In subdivision (i), delete "two cents" and insert "one cent".

d. Delete subdivision (ii).

9. Proposed by L. P. Douglas Company, Inc.: Amend § 927.5 (a) (5) by adjusting the 70-cent handling allowance to

fully compensate for the actual cost of handling.

10. Proposed by Independent Marketers, Inc.: Reconsider the present 70-cent handling allowance for Class III milk.

11. Proposed by New York State Cheese Manufacturers' Association: Amend § 927.5 (d) (1) by increasing the amount of the butter-cheese adjustment from 4 cents to 8 cents per pound of butterfat.

12. Proposed by Milk Dealers' Association of Metropolitan New York, Inc., and by Sheffield Farms Company, Inc.: Amend § 927.5 (c) so as to provide (1) that no new freight zones shall be established for any pool plant for which a previously determined freight zone was in effect for the month of December 1949, and (2) that the freight zone for any plant designated as a pool plant on or after January 1, 1950, shall be established by the market administrator, said zone to be established by the market administrator so that it bears a reasonable relationship to the previously established freight zones of surrounding pool plants.

13. Proposed by Metropolitan Cooperative Milk Producers Bargaining Agency, Inc.: Amend § 927.7 (b) (5) by changing the word "four" to the word "eight" and the word "five" to the word "nine."

Copies of this notice of hearing, the said order, as amended, and the said tentative marketing agreement may be procured from the Market Administrator, 205 East 42d Street, New York, New York, or from the Hearing Clerk, Room 1353, South Building, United States Department of Agriculture, Washington 25, D. C., or may be there inspected.

Dated: December 28, 1949, at Washington, D. C.

[SEAL]

JOHN I. THOMPSON,  
Assistant Administrator.

[F. R. Doc. 49-10610; Filed, Dec. 30, 1949; 8:50 a. m.]

## DEPARTMENT OF LABOR

### Wage and Hour Division

#### [ 29 CFR, Part 522 ]

#### CIGAR INDUSTRY

#### NOTICE OF PROPOSED RULE MAKING

Pursuant to section 14 of the Fair Labor Standards Act, as amended, the Administrator of the Wage and Hour Division of the Department of Labor has heretofore issued regulations (§§ 522.200 to 522.211) covering employment of learners in specified occupations in the Cigar Industry at wages of 30 and 35 cents an hour, which wages are below the minimum wage established by section 6 of the act.

By virtue of the Fair Labor Standards Amendments of 1949 the minimum wage provided in section 6 of the act will be increased from 40 to 75 cents an hour effective January 25, 1950. It is apparent that the subminimum wage rates now in effect for learners in the Cigar Industry will not bear a reasonable relationship to the 75 cent minimum wage. Upon request of representatives of the

industry that provision be made for employment of learners in the Cigar Industry at subminimum rates after January 25, 1950, the Administrator has inquired into the possible effect of the new statutory minimum on the Cigar Industry, and as to whether provision for employment of learners at subminimum rates in the industry is necessary to prevent curtailment of opportunities for employment. As a result of this inquiry the Administrator intends, as an interim measure, to provide for employment of learners in the Cigar Industry at subminimum rates for 6 months following the effective date of the 1949 amendments to the act. During this period the Administrator will again examine, with opportunity for all interested parties to present their views, the advisability of revoking or extending the regulations providing for employment of learners in the Cigar Industry at wages below the statutory minimum.

Accordingly, notice is hereby given pursuant to the Administrative Procedure Act (60 Stat. 237; 5 U. S. C. 1001) that the Administrator of the Wage and Hour Division, United States Department of Labor, proposes to amend the regulations governing employment of learners in the Cigar Industry in the following manner:

1. Revoke last sentence of § 522.201.

2. Amend § 522.204 (a) to read as follows:

§ 522.204 *Subminimum rates.* (a) The subminimum rates which may be authorized in special certificates issued in the Cigar Industry shall be not less than 60 cents per hour in the occupations of cigar machine operating and cigar packing; not less than 60 cents per hour for the first 480 hours and 65 cents per hour for the second 480 hours in the occupations of hand rolling and hand bunch making; not less than 60 cents per hour for the first 320 hours and 65 cents per hour for the second 320 hours in the occupation of making Italian stogies; and not less than 60 cents per hour in the occupations of hand stripping and machine stripping.

3. Revoke § 522.205 (c).

4. Revoke § 522.211.

5. Add new § 522.211 to read as follows:

§ 522.211 *Revocation and cancellation.* (a) The Administrator or his authorized representative may cancel any certificate for cause. Cancellation may be affected (1) as of the date of issuance if it is found that the applicant set forth any fact or facts in the application which he knew or had reasonable cause to believe to be false; (2) as of the date of violation if it is found that any of its terms have been violated; and (3) prospectively if it is found that the conditions of employment of the learner have changed or that the purposes for which the certificate was originally issued no longer obtain.

(b) Except in cases of willfulness or those in which the public interest requires otherwise, before any contemplated action for cancellation or revocation of any special certificate for the



## PROPOSED RULE MAKING

employment of a learner will be considered, facts or conduct which may warrant such action will be called to the attention of the employer and he shall be afforded an opportunity to achieve or demonstrate compliance, or to show that the conditions of employment of the learner have not changed or that the purpose for which the certificate was originally issued still exist.

(52 Stat. 1068, as amended, 63 Stat. 910; 29 U. S. C. 214)

Prior to the final adoption of the amended regulations consideration will be given to any data, views or arguments pertaining thereto which are submitted in writing to the Administrator of the Wage and Hour Division, United States Department of Labor, Washington 25,

D. C., within 10 days from publication of this notice in the FEDERAL REGISTER.

Signed at Washington, D. C., this 28th day of December 1949.

WM. R. McCOMB,  
Administrator,  
Wage and Hour Division.

[F. R. Doc. 49-10605; Filed, Dec. 30, 1949; 8:52 a. m.]

## NOTICES

## DEPARTMENT OF THE INTERIOR

## Fish and Wildlife Service

## CHURCHILL COUNTY, NEVADA

## NOTICE OF LAND ADDED

Whereas, on September 17, 1949, a notice of proposed rule-making was published in the FEDERAL REGISTER (14 F. R. 5723) regarding the designation of certain lands in Churchill County, Nevada, as a wildlife sanctuary, and

Whereas, on October 17, 1949, certain of these lands were designated as the Stillwater National Wildlife Refuge, which designation was published in the FEDERAL REGISTER on October 21, 1949 (14 F. R. 6449), and

Whereas, certain lands were inadvertently omitted from the said designation;

Now, therefore, effective on the date of publication of this document in the FEDERAL REGISTER, the following described lands are hereby added to the Stillwater National Wildlife Refuge and shall be administered and protected in accordance with the regulations contained in Parts 18 and 21 of Title 50—Wildlife, Code of Federal Regulations:

## MOUNT DIABLO BASE AND MERIDIAN

T. 19 N., R. 31 E.  
Sec. 9, All.

[SEAL]

O. H. JOHNSON,  
Acting Director.

[F. R. Doc. 49-10543; Filed, Dec. 30, 1949; 8:45 a. m.]

## DEPARTMENT OF LABOR

## Wage and Hour Division

## SHOE INDUSTRY

## NOTICE OF HEARING

Pursuant to section 14 of the Fair Labor Standards Act the Administrator has heretofore issued general regulations (§§ 522.1 to 522.14) governing the employment of learners at wages lower than the minimum wage applicable under section 6 of the act. The general learner regulations have been supplemented in the case of certain industries by special regulations setting forth conditions under which learner certificates may be granted to plants in those industries where necessary to prevent curtailment of opportunities for employment.

By virtue of the Fair Labor Standards Amendments of 1949 the minimum wage provided in section 6 of the act will be

increased from 40 to 75 cents an hour effective January 25, 1950. Representatives of the Shoe Industry have requested, in accordance with § 522.4, that a hearing be held to determine the need for special regulations establishing conditions under which certificates may be granted to plants in that industry permitting the employment of learners at subminimum wage rates after January 25, 1950.

Accordingly, pursuant to the authority vested in me by section 14 of the Fair Labor Standards Act as amended (52 Stat. 1068; 29 U. S. C. 214 as amended 63 Stat. 910) and in accordance with § 522.6, notice is hereby given of a public hearing to be held in conference room A, Interdepartmental Auditorium, 14th Street and Constitution Avenue NW., Washington, D. C., to commence at 10 a. m. on January 9, 1950, before an authorized representative of the Administrator at which evidence and testimony will be received on the following questions:

1. Is it necessary in order to prevent curtailment of opportunities for employment to provide for the employment of learners in the Shoe Industry after January 25, 1950 at wages below the minimum provided in section 6 of the Fair Labor Standards Act as amended; and if such necessity be found to exist,

2. What subminimum wage rates should be provided for learners in the Shoe Industry, what number or proportion of learners should be permitted in a plant, in what occupations should learners be permitted, and the length or duration of learning period?

Written statements in lieu of personal appearance may be mailed to the Administrator at any time prior to the date of the hearing or may be filed with the presiding officer at the hearing.

Signed at Washington, D. C., this 28th day of December 1949.

WM. R. McCOMB,  
Administrator.

[F. R. Doc. 49-10606; Filed, Dec. 30, 1949; 8:53 a. m.]

## CIVIL AERONAUTICS BOARD

[Docket No. 3447]

VIKING AIRLINERS ET AL.; NONCERTIFICATED OPERATIONS

NOTICE OF POSTPONEMENT OF ORAL ARGUMENT

In the matter of the noncertificated operations of Viking Airlines, Aero-Van

Express Corporation, and Viking Air Transport Company, Inc., and the suspension and revocation of Letter of Registration No. 152 issued to Viking Airlines, owned and operated by Aero-Van Express Corporation.

Notice is hereby given, pursuant to the provisions of the Civil Aeronautics Act of 1938, as amended, that oral argument in the above-entitled proceeding is postponed from January 5 to January 23, 1950, at 10:00 a. m., e. s. t., in Room 5042 Commerce Building, Fourteenth Street and Constitution Avenue NW., Washington, D. C., before the Board.

Dated at Washington, D. C., December 27, 1949.

By the Civil Aeronautics Board.

[SEAL]

M. C. MULLIGAN,  
Secretary.

[F. R. Doc. 49-10583; Filed, Dec. 30, 1949; 8:45 a. m.]

## INTERSTATE COMMERCE COMMISSION

[4th Sec. Application 24755]

COKE FROM IRONTON, OHIO, TO WASHINGTON, PA.

APPLICATION FOR RELIEF

DECEMBER 28, 1949.

The Commission is in receipt of the above-entitled and numbered application for relief from the long-and-short-haul provision of section 4 (1) of the Interstate Commerce Act.

Filed by: Roy S. Kern, Agent, for and on behalf of the Detroit, Toledo and Iron-ton Railroad Company and The Pennsylvania Railroad Company.

Commodities involved: Coke, coke breeze, coke dust and coke screenings, carloads.

From: Iron-ton, Ohio.

To: Washington, Pa.

Grounds for relief: Circuitous routes.

Schedules filed containing proposed rates; DT&I RR. tariff I. C. C. No. 624, Supplement 104.

Any interested person desiring the Commission to hold a hearing upon such application shall request the Commission in writing so to do within 15 days from the date of this notice. As provided by the general rules of practice of the Commission, Rule 73, persons other than applicants should fairly disclose their interest, and the position they intend to take at the hearing with respect to the application. Otherwise the Commission, in its discretion, may proceed to



investigate and determine the matters involved in such application without further or formal hearing. If because of an emergency a grant of temporary relief is found to be necessary before the expiration of the 15-day period, a hearing, upon a request filed within that period, may be held subsequently.

By the Commission, Division 2.

[SEAL] W. P. BARTEL,  
Secretary.

[F. R. Doc. 49-10578; Filed, Dec. 30, 1949;  
8:50 a. m.]

[4th Sec. Application 24756]

CATALOGUES FROM CHICAGO, ILL., TO  
DENISON, TEX.

APPLICATION FOR RELIEF

DECEMBER 28, 1949.

The Commission is in receipt of the above-entitled and numbered application for relief from the long-and-short-haul provision of section 4 (1) of the Interstate Commerce Act.

Filed by: D. Q. Marsh, Agent, for and on behalf of carriers parties to his tariff I. C. C. No. 3648.

Commodities involved: Catalogues, in packages, carloads.

From: Chicago, Ill.

To: Denison, Tex.

Grounds for relief: Competition with rail carriers and circuitous routes.

Schedules filed containing proposed rates; D. Q. Marsh's tariff I. C. C. No. 3648, Supplement 282.

Any interested person desiring the Commission to hold a hearing upon such application shall request the Commission in writing so to do within 15 days from the date of this notice. As provided by the general rules of practice of the Commission, Rule 73, persons other than applicants should fairly disclose their interest, and the position they intend to take at the hearing with respect to the application. Otherwise the Commission, in its discretion, may proceed to investigate and determine the matters involved in such application without further or formal hearing. If because of an emergency a grant of temporary relief is found to be necessary before the expiration of the 15-day period, a hearing, upon a request filed within that period, may be held subsequently.

By the Commission, Division 2.

[SEAL] W. P. BARTEL,  
Secretary.

[F. R. Doc. 49-10579; Filed, Dec. 30, 1949;  
8:50 a. m.]

[4th Sec. Application 24757]

AUTOMOBILE PARTS FROM CENTRAL  
TERRITORY TO SOUTH

APPLICATION FOR RELIEF

DECEMBER 28, 1949.

The Commission is in receipt of the above-entitled and numbered application for relief from the long-and-short-haul

provision of section 4 (1) of the Interstate Commerce Act.

Filed by: B. T. Jones, Agent, pursuant to fourth-section order No. 9800.

Commodities involved: Automobile parts, carloads.

From: Points in central territory.

To: Points in the south.

Grounds for relief: Circuitous routes.

Any interested person desiring the Commission to hold a hearing upon such application shall request the Commission in writing so to do within 15 days from the date of this notice. As provided by the general rules of practice of the Commission, Rule 73, persons other than applicants should fairly disclose their interest, and the position they intend to take at the hearing with respect to the application. Otherwise the Commission, in its discretion, may proceed to investigate and determine the matters involved in such application without further or formal hearing. If because of an emergency a grant of temporary relief is found to be necessary before the expiration of the 15-day period, a hearing, upon a request filed within that period, may be held subsequently.

By the Commission, Division 2.

[SEAL] W. P. BARTEL,  
Secretary.

[F. R. Doc. 49-10580; Filed, Dec. 30, 1949;  
8:50 a. m.]

[4th Sec. Application 24758]

NEWSPRINT PAPER FROM COOSA PINES,  
ALA., TO MISSISSIPPI RIVER CROSSINGS

APPLICATION FOR RELIEF

DECEMBER 28, 1949.

The Commission is in receipt of the above-entitled and numbered application for relief from the long-and-short-haul provision of section 4 (1) of the Interstate Commerce Act.

Filed by: R. E. Boyle, Jr., Agent, for and on behalf of carriers parties to Agent C. A. Spaninger's tariff I. C. C. No. 1069.

Commodities involved: Newsprint paper, carloads.

From: Coosa Pines, Ala.

To: Memphis, Tenn., Baton Rouge, and New Orleans, La.

Grounds for relief: Competition with rail carriers, circuitous routes, and market competition.

Any interested person desiring the Commission to hold a hearing upon such application shall request the Commission in writing so to do within 15 days from the date of this notice. As provided by the general rules of practice of the Commission, Rule 73, persons other than applicants should fairly disclose their interest, and the position they intend to take at the hearing with respect to the application. Otherwise the Commission, in its discretion, may proceed to investigate and determine the matters involved in such application without further or formal hearing. If because of an emergency a grant of temporary relief is found to be necessary before the expiration of the 15-day period, a hearing,

upon a request filed within that period, may be held subsequently.

By the Commission, Division 2.

[SEAL] W. P. BARTEL,  
Secretary.

[F. R. Doc. 49-10581; Filed, Dec. 30, 1949;  
8:51 a. m.]

## FEDERAL POWER COMMISSION

[Docket No. G-1300]

TEXAS GAS TRANSMISSION CORP.

NOTICE OF A RECESSED HEARING

DECEMBER 29, 1949.

Take notice that the hearing upon the application of Texas Gas Transmission Corporation, a Delaware corporation having its principal place of business at Owensboro, Kentucky, for a certificate of public convenience and necessity pursuant to section 7 of the Natural Gas Act, as amended, authorizing it to operate certain natural-gas facilities in the State of Kentucky, subject to the jurisdiction of the Commission, previously fixed to be held on December 29, 1949, at 9:30 a. m., e. s. t., in the Hearing Room of the Federal Power Commission, 1800 Pennsylvania Avenue NW., Washington, D. C., by order of the Commission issued on December 22, 1949, was recessed on December 29, 1949, by Presiding Examiner Glen R. Law to reconvene at 9:30 a. m., e. s. t., on January 10, 1950, in the Hearing Room referred to above.

[SEAL] J. H. GUTRIE,  
Acting Secretary.

[F. R. Doc. 49-10621; Filed, Dec. 30, 1949;  
8:53 a. m.]

## GENERAL SERVICES ADMINISTRATION

[Administrative Order 31]

ESTABLISHMENT OF THE LIQUIDATION  
SERVICE

1. *Purpose.* This order establishes in the General Services Administration the elements and functions of the organization which shall be responsible for the liquidation of the functions and affairs of the War Assets Administration. This order provides for the transfer of the remaining functions of the War Assets Administration to the Liquidation Service and for the abolishment of the War Assets Administration.

2. *Establishment of organization.* There is hereby established in the General Services Administration an organizational element which shall be known as the Liquidation Service. There shall be at the head of the Liquidation Service a Commissioner (formerly known as Liquidator of War Assets), who shall perform his functions subject to the direction and control of the Administrator of General Services, and who shall receive compensation at the rate provided for the Liquidator of War Assets under the order of the President dated December 21, 1949. Within the Liquidation Service there shall be such organizational units, both in the Washington office and in the regional offices, as are



required to carry out the functions established in this order. The functions assigned to the Liquidation Service in the Washington office and in the regional offices shall be the remaining functions as performed by the War Assets Administration.

3. *Transfer of present functions, authorities, responsibilities, personnel and records.* All of the remaining functions, authorities, responsibilities, personnel and vacancies, equipment, and records of the Liquidator of War Assets and the War Assets Administration are hereby transferred to the Commissioner and to the Washington and regional offices of the Liquidation Service, respectively. All authorities delegated to the Liquidator of War Assets and to the Washington office and the regional offices of the War Assets Administration by Administrator's Temporary Regulation No. 1, dated July 1, 1949, 14 F. R. 3693, and all authorities delegated to the Liquidator of War Assets and to the Washington office and the regional offices of the War Assets Administration by the Administrator of General Services subsequent to July 1, 1949, by individual delegation are hereby transferred and delegated to the Commissioner. Such authorities as have been redelegated by the Liquidator of War Assets shall remain in full force and effect until superseded by the Administrator of General Services or the Commissioner.

4. *Abolishment of organization.* The office of Liquidator of War Assets and the War Assets Administration as established by Administrator's Temporary Regulation No. 1 are hereby abolished.

5. *Effective date.* The provisions of this order shall become effective at the close of business December 31, 1949.

Dated: December 23, 1949.

JESS LARSON,  
Administrator.

[F. R. Doc. 49-10615; Filed, Dec. 30, 1949;  
8:53 a. m.]

## SECURITIES AND EXCHANGE COMMISSION

[File No. 7-1126]

CONSUMERS POWER CO.

### FINDINGS AND ORDER GRANTING APPLICATION

At a regular session of the Securities and Exchange Commission, held at its office in the city of Washington, D. C., on the 27th day of December A. D. 1949.

The Boston Stock Exchange, pursuant to section 12 (f) (2) of the Securities Exchange Act of 1934 and Rule X-12F-1 thereunder, has made application for unlisted trading privileges in the Common Stock, No Par Value, of Consumers Power Company.

After appropriate notice and opportunity for hearing and in the absence of any request by any interested person for hearing on this matter, the Commission, on the basis of the facts submitted in the application, makes the following findings:

(1) That this security is registered and listed on the Detroit Stock Exchange and the New York Stock Exchange; that

the geographical area deemed to constitute the vicinity of the Boston Stock Exchange is the New England States exclusive of Fairfield County, Connecticut; that out of the total of 4,544,576 shares outstanding, 484,623 shares are owned by shareholders in the vicinity of the Boston Stock Exchange; and that in the vicinity of the Boston Stock Exchange 442 transactions were effected in 65,314 shares of this security during the month of October, 1949;

(2) That sufficient public distribution of, and sufficient public trading activity in, this security exist within the vicinity of the applicant exchange to render the extension of unlisted trading privileges thereto appropriate in the public interest and for the protection of investors; and

(3) That the extension of unlisted trading privileges on the applicant exchange to this security is otherwise appropriate in the public interest and for the protection of investors.

Accordingly it is ordered, Pursuant to section 12 (f) (2) of the Securities Exchange Act of 1934, that the application of the Boston Stock Exchange for permission to extend unlisted trading privileges to the Common Stock, No Par Value, of Consumers Power Company be, and the same is, hereby granted.

By the Commission.

[SEAL] ORVAL L. DUBOISE,  
Secretary.

[F. R. Doc. 49-10567; Filed, Dec. 30, 1949;  
8:46 a. m.]

[File No. 7-1132]

SOUTHERN CO.

### FINDINGS AND ORDER GRANTING APPLICATION

At a regular session of the Securities and Exchange Commission, held at its office in the city of Washington, D. C., on the 27th day of December A. D. 1949.

The San Francisco Stock Exchange, pursuant to section 12 (f) (2) of the Securities Exchange Act of 1934 and Rule X-12F-1 thereunder, has made application for unlisted trading privileges in the Common Stock, \$5 Par Value, of The Southern Company.

After appropriate notice and opportunity for hearing and in the absence of any request by any interested person for hearing on this matter, the Commission on the basis of the facts submitted in the application, makes the following findings:

(1) That this security is registered and listed on the New York Stock Exchange; that the geographical area deemed to constitute the vicinity of the San Francisco Stock Exchange with respect to this security traded on the Los Angeles Stock Exchange is Northern California; that out of the total of 12,020,000 shares of this security outstanding, 37,314 shares are owned by 116 shareholders in the vicinity of the San Francisco Stock Exchange; and that in the vicinity of the San Francisco Stock Exchange there were 643 transactions involving 121,684 shares of this security

during the period from September 30, 1949 to October 31, 1949, inclusive;

(2) That sufficient public distribution of, and sufficient public trading activity in, this security exist in the vicinity of the applicant exchange to render the extension of unlisted trading privileges thereto appropriate in the public interest and for the protection of investors; and

(3) That the extension of unlisted trading privileges on the applicant exchange to this security is otherwise appropriate in the public interest and for the protection of investors.

Accordingly it is ordered, Pursuant to section 12 (f) (2) of the Securities Exchange Act of 1934, that the application of the San Francisco Stock Exchange for permission to extend unlisted trading privileges to the Common Stock, \$5 Par Value, of The Southern Company be, and the same is, hereby granted.

By the Commission.

[SEAL] ORVAL L. DUBOISE,  
Secretary.

[F. R. Doc. 49-10566; Filed, Dec. 30, 1949;  
8:46 a. m.]

[File No. 7-1133]

UNITED GAS CORP.

### FINDINGS AND ORDER GRANTING APPLICATION

At a regular session of the Securities and Exchange Commission, held at its office in the city of Washington, D. C., on the 27th day of December A. D. 1949.

The San Francisco Stock Exchange, pursuant to section 12 (f) (2) of the Securities Exchange Act of 1934 and Rule X-12F-1 thereunder, has made application for unlisted trading privileges in the Common Stock, \$10 Par Value, of United Gas Corporation.

After appropriate notice and opportunity for hearing and in the absence of any request by any interested person for hearing on this matter, the Commission on the basis of the facts submitted in the application makes the following findings:

(1) That this security is registered and listed on the New York Stock Exchange; that the geographical area deemed to constitute the vicinity of the San Francisco Stock Exchange with respect to this security traded on the Los Angeles Stock Exchange is Northern California; that out of the total of 10,653,302 shares of this security outstanding, 132,172 shares are owned by 558 shareholders in the vicinity of the San Francisco Stock Exchange; and that in the vicinity of the San Francisco Stock Exchange there were 248 transactions involving 44,583 shares of this security during the period from November 1, 1948 until November 1, 1949;

(2) That sufficient public distribution of, and sufficient public trading activity in, this security exist in the vicinity of the applicant exchange to render the extension of unlisted trading privileges thereto appropriate in the public interest and for the protection of investors; and



(3) That the extension of unlisted trading privileges on the applicant exchange to this security is otherwise appropriate in the public interest and for the protection of investors.

Accordingly it is ordered, Pursuant to section 12 (f) (2) of the Securities Exchange Act of 1934, that the application of the San Francisco Stock Exchange for permission to extend unlisted trading privileges to the Common Stock, \$10 Par Value, of United Gas Corporation be, and the same is, hereby granted.

By the Commission.

[SEAL] ORVAL L. DuBOIS,  
Secretary.

[F. R. Doc. 49-10565; Filed, Dec. 30, 1949;  
8:45 a. m.]

[File Nos. 54-25, 59-11, 59-17]

UNITED LIGHT AND RAILWAYS CO. ET AL.

ORDER RELEASING JURISDICTION AND  
GRANTING APPLICATION

At a regular session of the Securities and Exchange Commission, held at its office in the city of Washington, D. C., on the 22d day of December A. D. 1949.

In the matter of the United Light and Railways Company, American Light & Traction Company, et al.; File Nos. 59-11, 59-17, 54-25.

The Commission, by order dated December 30, 1947, having approved the amended plan of The United Light and Railways Company ("Railways") and American Natural Gas Company (formerly American Light & Traction Company—"American Natural") filed pursuant to section 11 (e) of the Public Utility Holding Company Act of 1935, and said order having reserved jurisdiction with respect to the fees and expenses incurred or to be incurred in connection with the plan and its consummation; and

Railways and American Natural having filed an application with respect to the payment of fees and expenses incurred in connection with the plan and requesting the Commission to determine such other fees and expenses as may be payable by them; and

An application having been filed by George Rosier for an allowance of \$15,000 and for reimbursement of expenses in the amount of \$417.56 as counsel for Trustees of Central States Electric Corporation, American Cities Power & Light Corporation, and Blue Ridge Corporation, stockholders of Railways and American Natural, and an application having been filed by American Cities Power and Light Corporation for reimbursement of expenses in the amount of \$745.56; and

The Commission having considered said applications and the record of the proceedings and having entered its Memorandum Opinion herein;

It is ordered, That the application of Railways and American Natural and the applications of George Rosier and American Cities Power & Light Corporation be, and the same hereby are, granted, subject to the allocations herein ordered.

It is further ordered, That the fees and expenses, herein designated, for services rendered in connection with the plan as distinguished from the separate transactions contemplated by the plan, be, and hereby are, allocated and shall be payable as follows: (a) Sidley, Austin, Burgess & Harper, Arthur Andersen & Company, George S. Rosier and American Cities Power and Light Corporation one-half by each The United Light and Railways Company and American Natural Gas Company, and, (b) Drexel & Co. and Wheat, May, Shannon and St. Clair by American Natural Gas Company.

It is further ordered, That the jurisdiction heretofore reserved with respect to the payment of fees and expenses in connection with the plan and the separate transactions in consummation of the plan be, and it hereby is, released.

By the Commission.

[SEAL] ORVAL L. DuBOIS,  
Secretary.

[F. R. Doc. 49-10571; Filed, Dec. 30, 1949;  
8:47 a. m.]

[File No. 54-178]

UNITED LIGHT AND RAILWAYS CO. ET AL.

ORDER APPROVING ISSUE AND SALE OF  
ADDITIONAL SHARES

At a regular session of the Securities and Exchange Commission, held at its office in the city of Washington, D. C., on the 23d day of December A. D. 1949.

The United Light and Railways Company ("Railways"), a registered holding company, and its subsidiary holding company, Continental Gas and Electric Corporation ("Continental"), having filed a joint plan, as amended, pursuant to section 11 (e) of the Public Utility Holding Company Act of 1935, with respect to their liquidation, which plan, provides inter alia, for the investment by Continental or Railways of \$3,000,000 in the common stock of Iowa Power and Light Company ("Iowa Power"), a public utility subsidiary of Continental; and

Hearings having been held pursuant to appropriate notice and the matter now being under consideration by the Commission; and

Railways and Continental having requested that the Commission enter an interim order, to become effective upon its issuance, approving the immediate issuance and sale by Iowa Power of 270,000 additional shares of its \$10 par value common stock to its parent, Continental, for \$2,700,000 and the making of a capital contribution by Railways to Continental in the requisite amount up to \$2,700,000 to provide the funds necessary for the purchase of said 270,000 additional shares of common stock, and in support of such request, Railways and Continental having stated that Iowa Power is in need of said funds before the close of the year 1949 for necessary corporate purposes; and

The Commission observing no basis for adverse findings with respect to the proposed transactions, and finding that the applicable standards of the Public Utility Holding Company Act of 1935

and the rules and regulations promulgated thereunder have been satisfied, and deeming it appropriate in the public interest and in the interest of investors and consumers to grant such request with respect to the proposed additional investment by Continental in the common stock of Iowa Power and the proposed capital contribution by Railways to Continental without awaiting final action upon the pending section 11 (e) plan:

It is ordered, That the issue and sale by Iowa Power and Light Company to Continental Gas and Electric Corporation for \$2,700,000 of 270,000 additional shares of \$10 par value common stock, and the capital contribution by The United Light and Railways Company to Continental Gas & Electric Corporation of the requisite amount up to \$2,700,000 to provide the funds necessary for the purchase of said securities, be, and hereby are approved, subject to the terms and conditions prescribed in Rule U-24 of the rules and regulations promulgated under the Public Utility Holding Company Act of 1935.

It is further ordered, That this order shall become effective upon its issuance.

By the Commission.

[SEAL] ORVAL L. DuBOIS,  
Secretary.

[F. R. Doc. 49-10568; Filed, Dec. 30, 1949;  
8:47 a. m.]

[File Nos. 59-32, 70-2179]

ROCHESTER GAS AND ELECTRIC CORP. ET AL.

ORDER RELEASING JURISDICTION OVER ACCOUNTING ENTRIES AND FEES AND EXPENSES

At a regular session of the Securities and Exchange Commission, held at its office in the city of Washington, D. C., on the 22d day of December 1949.

In the matter of Rochester Gas and Electric Corporation, General Public Utilities Corporation, Associated Electric Company; File Nos. 70-2179, 59-32.

The Commission having by Orders dated August 25, 1949, and September 8, 1949, granted and permitted to become effective a joint application-declaration, and amendments thereto, filed pursuant to the Public Utility Holding Company Act of 1935, by General Public Utilities Corporation ("GPU"), Associated Electric Company ("Aelec"), and Rochester Gas and Electric Corporation ("Rochester"), with respect to, among other things, the sale by GPU of its holdings of the common stock of its subsidiary, Rochester; and

The Commission having by said Orders reserved jurisdiction over (a) the accounting entries to be made by GPU in connection with the proposed transactions, and (b) the payment of all fees and expenses other than the fees of the participating dealers and the dealer-manager group exclusive of their out-of-pocket expenses including legal fees; and

GPU having filed a further amendment in which is contained a statement with respect to (a) the proposed accounting entries to be made by GPU in con-



nection with the transactions, and (b) an itemization of the fees and expenses other than the fees of the participating dealers and the dealer-manager group, incurred in connection with the transactions, all of which fees and expenses are to be paid by GPU, such fees and expenses being summarized as follows:

Printing	\$77,404.00
Legal services:	
Shearman & Sterling & Wright	16,000.00
Naylon, Foster & Shepard	10,000.00
Nixon, Hargrove, Middleton & Devans	2,500.00
Sullivan & Cromwell (counsel for dealer-managers)	1,254.00
Expenses of dealer-managers and participating dealers	23,748.85
Fees of J. P. Morgan & Co. as subscription and transfer agent	28,819.90
Accounting services	7,000.00
Postage	8,792.74
Fees of Chase National Bank of City of New York as registrar	2,227.01
Miscellaneous	17,312.04
Total	195,058.64

The Commission having examined said amendment and finding that the proposed accounting entries appear to be appropriate and that the fees and expenses are for necessary services and are not unreasonable:

*It is hereby ordered*, That the jurisdiction heretofore reserved with respect to (a) the accounting entries to be made by GPU in connection with the transactions, and (b) the payment of fees and expenses, be and the same hereby is, released.

By the Commission.

[SEAL] ORVAL L. DuBOIS,  
Secretary.

[F. R. Doc. 49-10569; Filed, Dec. 30, 1949;  
8:47 a. m.]

[File No. 70-2222]

#### IOWA-ILLINOIS GAS AND ELECTRIC CO.

#### SUPPLEMENTAL ORDER RELEASING JURISDICTION AS TO COUNSEL FEES

At a regular session of the Securities and Exchange Commission, held at its office in the city of Washington, D. C., on the 27th day of December A. D. 1949.

The Commission having, by orders dated October 11, and October 26, 1949, granted and permitted to become effective the application-declaration, as amended, filed by Iowa-Illinois Gas and Electric Company, with respect to the issue and sale of \$10,000,000 principal amount of First Mortgage Bonds, --% Series due 1979, pursuant to the competitive bidding requirements of Rule U-50 of the rules and regulations promulgated under the Public Utility Holding Company Act of 1935; and

The Commission having by said orders reserved jurisdiction with respect to the fees of counsel, including the fees of counsel for the prospective purchasers of the bonds; and

The record having been supplemented with respect to the fees of counsel, including the fees of counsel for the purchasers of the bonds, showing therein

an amended request by Sidley, Austin, Burgess & Harper for compensation of \$12,000, requests of six firms of local counsel for compensation aggregating \$3,500, and an amended request of Isham, Lincoln & Beale, counsel for the purchasers of the bonds, for compensation of \$7,000; and

The Commission having considered the record and it appearing that the fees requested are not unreasonable and that it is appropriate to release jurisdiction with respect to such counsel fees:

*It is ordered*, That the jurisdiction heretofore reserved with respect to counsel fees, including fees of counsel for the purchasers of the bonds, be, and it hereby is, released.

*It is further ordered*, That this order shall become effective upon its issuance.

By the Commission.

[SEAL] ORVAL L. DUBOIS,  
Secretary.

[F. R. Doc. 49-10570; Filed, Dec. 30, 1949;  
8:47 a. m.]

[File No. 70-2255]

#### ELECTRIC BOND AND SHARE CO.

#### ORDER RELEASING JURISDICTION OVER FEES AND EXPENSES

At a regular session of the Securities and Exchange Commission held at its office in the city of Washington, D. C. on the 27th day of December A. D. 1949.

The Commission having by order dated November 16, 1949, granted and permitted to become effective the application-declaration, as amended, of Electric Bond and Share Company ("Bond and Share"), a registered holding company, with respect to the issuance and sale of 656,295 shares of the common stock of Middle South Utilities, Inc. ("Middle South") to the stockholders of Bond and Share and the distribution of 150,010 shares of Middle South stock as a dividend to the stockholders of Bond and Share; and

The Commission having reserved jurisdiction with respect to, among other things, the payment of fees and expenses incurred or to be incurred in connection with the proposed transactions; and

The record having been completed with respect to these matters and the Commission finding that said fees and expenses to be borne by Bond and Share are not unreasonable, and that no adverse action need be taken in connection therewith, said fees and expenses aggregating \$135,000 including the following:

Reld & Priest, counsel for the Company	\$9,000
Cahill, Gordon, Zachry & Reindel, counsel for Middle South Utilities, Inc.	4,000
Bankers Trust Co., subscription agent	50,000
Ebasco Services, Inc.	4,000

*It is ordered*, That jurisdiction heretofore reserved with respect to fees and expenses in connection with the proposed transactions be, and the same hereby is, released, and that jurisdiction heretofore reserved with respect to such

other matters as may be appropriate be, and the same hereby is, continued.

By the Commission.

[SEAL] ORVAL L. DuBOIS,  
Secretary.

[F. R. Doc. 49-10572; Filed, Dec. 30, 1949;  
8:48 a. m.]

## UNITED STATES MARITIME COMMISSION

UNITED STATES LINES CO. (AMERICAN PIONEER LINE) ET AL.

### NOTICE OF AGREEMENTS FILED FOR APPROVAL

Notice is hereby given that the following described agreements have been filed with the Commission for approval pursuant to section 15 of the Shipping Act, 1916, as amended:

Agreement 7738, between United States Lines Company (American Pioneer Line) and Alcoa Steamship Company, Inc., covers transportation of cargo under through bills of lading in the trade from China, Hongkong, Japan, Manchuria, Korea, Formosa, Siam, French Indo-China, Australia, New Zealand, Tasmania and South Sea Islands to the Virgin Islands, with transshipment at New York.

Agreement 7737, between China Navigation Company, Ltd., and China Siam Line—and the member lines of the Trans Pacific Freight Conference (Hongkong), covers transportation of cargo under through bills of lading in the trade from Saigon, French Indo-China, to U. S. and Canadian Pacific Coast ports, with transshipment at Hongkong. Agreement No. 7737 was filed to supersede and cancel Agreement No. 14-1-B.

Agreement 7736, between China Navigation Company, Ltd., and China Siam Line—and the member lines of the Trans Pacific Freight Conference (Hongkong), covers transportation of cargo under through bills of lading in the trade from Bangkok, Siam, and from Bangkok's outer harbor of Kohsichang to United States and Canadian Pacific Coast ports and to Honolulu, Hawaii, with transshipment at Hongkong.

Agreement 7707 (Revised) between Isthmian Steamship Company and Matson Navigation Company, is a cooperative working arrangement between the parties with respect to size, type and sailings of vessels employed in the trade eastbound and westbound between Hawaiian Islands and U. S. Atlantic and Gulf ports. Provision is made that the rates to be charged by the parties, westbound, shall be those established by the Atlantic and Gulf/Hawaii Conference so long as either party shall remain a member of such Conference, and that the rates, eastbound, shall be those made by Matson on which they receive the prior consent of Isthmian, provided that if a conference is formed governing the trade from Hawaii to Atlantic and Gulf ports of which either party shall become a member, the rates shall be said conference rates so long as either party shall remain a member of such conference. Agreement 7707 was filed to supersede and cancel Agreement 4470, as amended.



Interested parties may inspect these agreements and obtain copies thereof at the Commission's Office of Regulation, Washington, D. C., and may submit to the Commission within 20 days after publication of this notice written statements with reference to any of the agreements and their position as to approval, disapproval, or modification, together with request for hearing should such hearing be desired.

Dated: December 27, 1949, at Washington, D. C.

By the Commission.

[SEAL]

A. J. WILLIAMS,  
Secretary.

[F. R. Doc. 49-10573; Filed, Dec. 30, 1949;  
8:48 a. m.]

#### AMERICAN EXPORT LINES, INC., ET AL.

##### NOTICE OF APPROVAL OF AGREEMENT

Notice is hereby given that the Commission by order dated December 15, 1949, approved the following described agreement pursuant to section 15 of the Shipping Act, 1916, as amended:

Agreement 7734, between American Export Lines, Inc., and Italia, Societa' Per Azioni Di Navigazione Con Sede in Genova, is a cooperative working arrangement to coordinate sailings, itineraries and passage fares; to harmonize policies; and to reduce costs in operation in the trade between Atlantic ports of North America and European Mediterranean ports. The agreement further provides that American Export Lines may use Societa' Italia's authorized emigration representatives in Italy as its agents, and sets forth other conditions for Export's agency representation in Europe.

Interested parties may obtain copies thereof at the Commission's Office of Regulation, Washington, D. C.

Dated: December 15, 1949, at Washington, D. C.

By the Commission.

[SEAL]

A. J. WILLIAMS,  
Secretary.

[F. R. Doc. 49-10574; Filed, Dec. 30, 1949;  
8:49 a. m.]

#### DE LA RAMA STEAMSHIP CO., INC., ET AL.

##### NOTICE OF AGREEMENTS FILED FOR APPROVAL

Notice is hereby given that the following described agreements have been filed with the Commission for approval pursuant to section 15 of the Shipping Act, 1916, as amended:

Agreement 7739, between The De La Rama Steamship Co., Inc., The Swedish East Asia Co., Ltd., The Ocean Steam Ship Company, Ltd., The China Mutual Steam Navigation Company, Ltd., and Nederlandsche Stoomvaart Maatschappij "Oceaan", N. V., covers the establishment and maintenance of a joint cargo and limited passenger service under the trade name De La Rama Lines in the trade between United States Atlantic,

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Gulf, and Pacific Coast ports (but not including transportation within the purview of the coastwise laws of the United States) and the ports of Japan, Korea, Formosa, Siberia, Manchuria, China, Hong Kong, Indo-China, and the Philippine Islands. There will be no pooling or other sharing of profits or losses as among the parties. This agreement will supersede and cancel the approved De La Rama Lines Joint Service Agreement No. 7573 between The De La Rama Steamship Co., Inc., and The Swedish East Asiatic Co., Ltd.

Agreement 6010-6, between the member lines of the Straits/New York Conference, amends the basic agreement of that conference (No. 6010) to include within its scope cargo emanating from Siam which is transshipped through Malayan ports. Agreement 6010 provides for the establishment and maintenance of uniform rates and charges for or in connection with the transportation of cargo from British Malaya to United States Atlantic and Gulf ports.

Interested parties may inspect these agreements and obtain copies thereof at the Commission's Office of Regulation, Washington, D. C., and may submit to the Commission within 20 days after publication of this notice written statements with reference to either of these agreements and their position as to approval, disapproval, or modification, together with request for hearing should such hearing be desired.

Dated: December 27, 1949, at Washington, D. C.

By the Commission.

[SEAL]

A. J. WILLIAMS,  
Secretary.

[F. R. Doc. 49-10575; Filed, Dec. 30, 1949;  
8:49 a. m.]

## DEPARTMENT OF JUSTICE

### Office of Alien Property

AUTHORITY: 40 Stat. 411, 55 Stat. 839, Pub. Laws 322, 671, 79th Cong., 60 Stat. 50, 925; 50 U. S. C. and Supp. App. 1, 616; E. O. 9193, July 6, 1942, 3 CFR, Cum. Supp., E. O. 9567, June 8, 1945, 3 CFR, 1945 Supp., E. O. 9788, Oct. 14, 1946, 11 F. R. 11981.

[Vesting Order 14141]

#### CLARA ELIZABETH KIESSLING

In re: Rights of Clara Elizabeth Kiessling under Insurance Contract File No. F-28-28093-H-1.

Under the authority of the Trading With the Enemy Act, as amended, Executive Order 9193, as amended, and Executive Order 9788, and pursuant to law, after investigation, it is hereby found:

1. That Clara Elizabeth Kiessling, whose last known address is Germany, is a resident of Germany and a national of a designated enemy country (Germany);

2. That the net proceeds due or to become due under a contract of insurance evidenced by policy No. 9 927 188, issued by the New York Life Insurance Company, New York, New York, to Margaret L. Kiessling, together with the right to demand, receive and collect said net proceeds,

is property within the United States owned or controlled by, payable or deliverable to, held on behalf of or on account of, or owing to, or which is evidence of ownership or control by, the aforesaid national of a designated enemy country (Germany);

and it is hereby determined:

3. That to the extent that the person named in subparagraph 1 hereof is not within a designated enemy country, the national interest of the United States requires that such person be treated as a national of a designated enemy country (Germany).

All determinations and all action required by law, including appropriate consultation and certification, having been made and taken, and, it being deemed necessary in the national interest,

There is hereby vested in the Attorney General of the United States the property described above, to be held, used, administered, liquidated, sold or otherwise dealt with in the interest of and for the benefit of the United States.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order 9193, as amended.

Executed at Washington, D. C., on December 9, 1949.

For the Attorney General.

[SEAL]

HAROLD I. BAYNTON,  
Acting Director,  
Office of Alien Property.

[F. R. Doc. 49-10588; Filed, Dec. 30, 1949;  
8:48 a. m.]

[Vesting Order 14143]

#### TOYOJIRO SHIMASAKI

In re: Rights of Toyojiro Shimasaki, (also known as Toyojiro Ryujin) under Insurance Contract. File No. F-39-100-H-1.

Under the authority of the Trading With the Enemy Act, as amended, Executive Order 9193, as amended, and Executive Order 9788, and pursuant to law, after investigation, it is hereby found:

1. That Toyojiro Shimasaki (also known as Toyojiro Ryujin), whose last known address is Japan, is a resident of Japan and a national of a designated enemy country (Japan);

2. That the net proceeds due or to become due under a contract of insurance evidenced by policy No. 15 011 541, issued by the New York Life Insurance Company, New York, New York, to Toyojiro Shimasaki (also known as Toyojiro Ryujin), together with the right to demand, receive and collect said net proceeds,

is property within the United States owned or controlled by, payable or deliverable to, held on behalf of or on account of, or owing to, or which is evidence of ownership or control by, the aforesaid national of a designated enemy country (Japan);

and it is hereby determined:

3. That to the extent that the person named in subparagraph 1 hereof is not within a designated enemy country, the



## NOTICES

national interest of the United States requires that such person be treated as a national of a designated enemy country (Japan).

All determinations and all action required by law, including appropriate consultation and certification, having been made and taken, and, it being deemed necessary in the national interest,

There is hereby vested in the Attorney General of the United States the property described above, to be held, used, administered, liquidated, sold or otherwise dealt with in the interest of and for the benefit of the United States.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order 9193, as amended.

Executed at Washington, D. C., on December 9, 1949.

For the Attorney General.

[SEAL] HAROLD I. BAYNTON,  
Acting Director,  
Office of Alien Property.

[F. R. Doc. 49-10589; Filed, Dec. 30, 1949; 8:48 a. m.]

[Vesting Order 14145]

## KAICHI AND MITSUNO TASHIMA

In re: Rights of Kaichi Tashima and Mitsuno Tashima under Insurance Contract. File No. F-39-5809-H-1.

Under the authority of the Trading With the Enemy Act, as amended, Executive Order 9193, as amended, and Executive Order 9788, and pursuant to law, after investigation, it is hereby found:

1. That Kaichi Tashima and Mitsuno Tashima, whose last known address is Japan, are residents of Japan and nationals of a designated enemy country (Japan);

2. That the net proceeds due or to become due under a contract of insurance evidenced by policy No. WS-96104, issued by the California-Western States Life Insurance Company, Sacramento, California, to Kaichi Tashima, together with the right to demand, receive and collect said net proceeds,

is property within the United States owned or controlled by, payable or deliverable to, held on behalf of, or on account of, or owing to, or which is evidence of ownership or control by, Kaichi Tashima or Mitsuno Tashima, the aforesaid nationals of a designated enemy country (Japan);

and it is hereby determined:

3. That to the extent that the persons named in subparagraph 1 hereof are not within a designated enemy country, the national interest of the United States requires that such persons be treated as nationals of a designated enemy country (Japan).

All determinations and all action required by law, including appropriate consultation and certification, having been made and taken, and, it being deemed necessary in the national interest,

There is hereby vested in the Attorney General of the United States the property described above, to be held, used, administered, liquidated, sold or otherwise dealt with in the interest of and for the benefit of the United States.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order 9193, as amended.

Executed at Washington, D. C., on December 9, 1949.

For the Attorney General.

[SEAL] HAROLD I. BAYNTON,  
Acting Director,  
Office of Alien Property.

[F. R. Doc. 49-10590; Filed, Dec. 30, 1949; 8:48 a. m.]

[Vesting Order 14146]

## YASUYOSHI TOKORO

In re: Rights of Yasuyoshi Tokoro under Insurance Contract. File No. F-39-5944-H-1.

Under the authority of the Trading With the Enemy Act, as amended, Executive Order 9193, as amended, and Executive Order 9788, and pursuant to law, after investigation, it is hereby found:

1. That Yasuyoshi Tokoro, whose last known address is Japan, is a resident of Japan and a national of a designated enemy country (Japan);

2. That the net proceeds due or to become due under a contract of insurance evidenced by policy No. 561,899, issued by the Sun Life Assurance Company of Canada, Montreal, Quebec, Canada, to Yasuyoshi Tokoro, together with the right to demand, receive and collect said net proceeds (including without limitation the right to proceed for collection against branch offices and legal reserves maintained in the United States),

is property within the United States owned or controlled by, payable or deliverable to, held on behalf of, or on account of, or owing to, or which is evidence of ownership or control by, the aforesaid national of a designated enemy country (Japan);

and it is hereby determined:

3. That to the extent that the person named in subparagraph 1 hereof is not within a designated enemy country, the national interest of the United States requires that such person be treated as a national of a designated enemy country (Japan).

All determinations and all action required by law, including appropriate consultation and certification, having been made and taken, and, it being deemed necessary in the national interest,

There is hereby vested in the Attorney General of the United States the property described above, to be held, used, administered, liquidated, sold or otherwise dealt with in the interest of and for the benefit of the United States.

The terms "national" and "designated enemy country" as used herein shall have

the meanings prescribed in section 10 of Executive Order 9193, as amended.

Executed at Washington, D. C., on December 9, 1949.

For the Attorney General.

[SEAL] HAROLD I. BAYNTON,  
Acting Director,  
Office of Alien Property.

[F. R. Doc. 49-10591; Filed, Dec. 30, 1949; 8:48 a. m.]

[Vesting Order 14147]

## KENZO TORIKAI

In re: Rights of Kenzo Torikai under Insurance Contract. File No. F-39-111-H-1.

Under the authority of the Trading With the Enemy Act, as amended, Executive Order 9193, as amended, and Executive Order 9788, and pursuant to law, after investigation, it is hereby found:

1. That Kenzo Torikai, whose last known address is Japan, is a resident of Japan and a national of a designated enemy country (Japan);

2. That the net proceeds due or to become due under a contract of insurance evidenced by policy No. 7,944,941, issued by the New York Life Insurance Company, New York, New York, to Kenzo Torikai, together with the right to demand, receive and collect said net proceeds,

is property within the United States owned or controlled by, payable or deliverable to, held on behalf of or on account of, or owing to, or which is evidence of ownership or control by, the aforesaid national of a designated enemy country (Japan);

and it is hereby determined:

3. That to the extent that the person named in subparagraph 1 hereof is not within a designated enemy country, the national interest of the United States requires that such person be treated as a national of a designated enemy country (Japan).

All determinations and all action required by law, including appropriate consultation and certification, having been made and taken, and, it being deemed necessary in the national interest,

There is hereby vested in the Attorney General of the United States the property described above, to be held, used, administered, liquidated, sold or otherwise dealt with in the interest of and for the benefit of the United States.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order 9193, as amended.

Executed at Washington, D. C., on December 9, 1949.

For the Attorney General.

[SEAL] HAROLD I. BAYNTON,  
Acting Director,  
Office of Alien Property.

[F. R. Doc. 49-10592; Filed, Dec. 30, 1949; 8:48 a. m.]



[Vesting Order 14148]

HANNE BARRENSCHMIDT WILTMANN

In re: Rights of Hanne Barrenschmidt Wiltmann under Insurance Contract, File No. F-28-3569-H-5.

Under the authority of the Trading With the Enemy Act, as amended, Executive Order 9193, as amended, and Executive Order 9788, and pursuant to law, after investigation, it is hereby found:

1. That Hanne Barrenschmidt Wiltmann, whose last known address is Germany, is a resident of Germany and a national of a designated enemy country (Germany);

2. That the net proceeds due or to become due under a contract of insurance evidenced by policy No. 9 737 787, issued by The Equitable Life Assurance Society of the United States, New York, New York, to Louis W. H. Barrenschmidt, together with the right to demand, receive and collect said net proceeds,

is property within the United States owned or controlled by, payable or deliverable to, held on behalf of, or on account of, or owing to, or which is evidence of ownership or control by, the aforesaid national of a designated enemy country (Germany);

and it is hereby determined:

3. That to the extent that the person named in subparagraph 1 hereof is not within a designated enemy country, the national interest of the United States requires that such person be treated as a national of a designated enemy country (Germany).

All determinations and all action required by law, including appropriate consultation and certification, having been made and taken, and, it being deemed necessary in the national interest,

There is hereby vested in the Attorney General of the United States the property described above, to be held, used, administered, liquidated, sold or otherwise dealt with in the interest of and for the benefit of the United States.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order 9193, as amended.

Executed at Washington, D. C., on December 9, 1949.

For the Attorney General.

[SEAL] HAROLD I. BAYNTON,  
Acting Director,  
Office of Alien Property.

[F. R. Doc. 49-10593; Filed, Dec. 30, 1949;  
8:48 a. m.]

[Vesting Order 14150]

DR. W. BECKER ET AL.

In re: Securities owned by and debts owing to Dr. W. Becker and others. F-62-501-A-1, F-28-226-A-1, F-28-747-A-6, F-28-1365-A-1.

Under the authority of the Trading With the Enemy Act, as amended, Executive Order 9193, as amended, and Executive Order 9788, and pursuant to law, after investigation, it is hereby found:

1. That Dr. W. Becker, whose last known address is Nishi 4, Chugushi, Rikko-Tochigiken, Japan, is a resident of Japan and a national of a designated enemy country (Japan);

2. That the Nassauische Landesbank, the last known address of which is Landesbankstelle, Frankfurt/Main, Frankfurt am Main, Germany, is a corporation, partnership, association or other business organization, organized under the laws of Germany, and which has or, since the effective date of Executive Order 8389, as amended, has had its principal place of business in Germany and is a national of a designated enemy country (Germany);

3. That Bank und Handelsgesellschaft, the last known address of which is Alterwall 20, Hamburg 11, Germany, is a corporation, partnership, association or other business organization, organized under the laws of Germany, and which has or, since the effective date of Executive Order 8389, as amended, has had its principal place of business in Germany and is a national of a designated enemy country (Germany);

4. That Reichs-Kredit-Gesellschaft, the last known address of which is Berlin, Germany, is a corporation, partnership, association or other business organization, organized under the laws of Germany, and which has or, since the effective date of Executive Order 8389, as amended, has had its principal place of business in Germany and is a national of a designated enemy country (Germany);

5. That Allgemeine Waren-Finanzierungs Gesellschaft m. b. H., the last known address of which is Berlin 56, Germany, is a corporation, partnership, association or other business organization, organized under the laws of Germany, and which has or, since the effective date of Executive Order 8389, as amended, has had its principal place of business in Germany and is a national of a designated enemy country (Germany);

6. That Norddeutsche Kreditbank A. G., the last known address of which is Hamburg, Germany, is a corporation, partnership, association or other business organization, organized under the laws of Germany, and which has or, since the effective date of Executive Order 8389, as amended, has had its principal place of business in Germany and is a national of a designated enemy country (Germany);

7. That the property described as follows:

a. One (1) certificate in lieu of a Certificate of Deposit Chicago Rapid Transit Company 6% First Refunding Mortgage Series A Gold Bond, number CC1370, said certificate in the face amount of \$2,000.00, registered in the name of Lowell & Co., 140 Broadway, New York 15, New York, and presently in the custody of the Guaranty Trust Company of New York, 140 Broadway, New York 15, New York, in an account entitled "Aktiebolaget Svenska Handelsbanken, Separate Account 'U', General Ruling No. 6 Account, General Ruling No. 11A Account", together with any and all rights thereunder and thereto.

b. One (1) United States of Brazil 5% 20 year Funding Bond of 1931, of \$100.00 face value, bearing the number 9055, in

bearer form and presently in the custody of the Guaranty Trust Company of New York, 140 Broadway, New York 15, New York, in an account entitled "Aktiebolaget Svenska Handelsbanken, Separate Account 'U', General Ruling No. 6 Account, General Ruling No. 11A Account", together with any and all rights thereunder and thereto, and

c. That certain debt or other obligation of the Guaranty Trust Company of New York, 140 Broadway, New York 15, New York, in the amount of \$420.10, as of November 17, 1947, including particularly but not limited to funds on deposit with the Foreign Department of the aforesaid Trust Company in a cash account entitled "Aktiebolaget Svenska Handelsbanken, Stockholm, 'Special Account U' General Ruling No. 6 Account", together with any and all accruals to the aforesaid debt or other obligation and any and all rights to demand, enforce and collect the same

is property within the United States owned or controlled by, payable or deliverable to, held on behalf of or on account of, or owing to, or which is evidence of ownership or control by Dr. W. Becker, the aforesaid national of a designated enemy country (Japan);

8. That the property described as follows:

a. Two (2) State of San Paulo, United States of Brazil, 7% Secured Sinking Fund Gold Bonds, each of \$1,000.00 face value, bearing the numbers 6414 and 6415, issued in bearer form, and presently in the custody of the Guaranty Trust Company of New York, 140 Broadway, New York 15, New York, in an account entitled "Aktiebolaget Svenska Handelsbanken, Separate Account 'U' General Ruling No. 6 Account, General Ruling No. 11A Account", together with any and all rights thereunder and thereto, and

b. Four (4) City of Rio de Janeiro, Federal District of the United States of Brazil 6½% External Secured Sinking Fund Gold Bonds, issued in bearer form of the face value and bearing the numbers as set forth below:

Face value	Nos.	Face value	Nos.
\$500-----	1753	\$500-----	1755
\$500-----	1754	\$1,000-----	20204

said bonds presently in the custody of Guaranty Trust Company of New York, 140 Broadway, New York 15, New York, in an account entitled "Aktiebolaget Svenska Handelsbanken, Separate Account 'U' General Ruling No. 6 Account, General Ruling No. 11A Account", together with any and all rights thereunder and thereto,

is property within the United States owned or controlled by, payable or deliverable to, held on behalf of or on account of, or owing to, or which is evidence of ownership or control by Nassauische Landesbank, the aforesaid national of a designated enemy country (Germany);

9. That the property described as follows:

That certain debt or other obligation of Guaranty Trust Company of New York, 140 Broadway, New York 15, New York,



## NOTICES

arising out of a Foreign Department Cash Account maintained with the aforesaid Trust Company, entitled "Aktiebolaget Svenska Handelsbanken, Separate Account 'U' General Ruling No. 6 Account, General Ruling No. 11A Account" and any and all rights to demand, enforce and collect the same,

is property within the United States owned or controlled by, payable or deliverable to, held on behalf of or on account of, or owing to, or which is evidence of ownership or control by Dr. W. Becker, Nassauische Landesbank and Bank und Handelsgesellschaft, the aforesaid nationals of designated enemy countries (Japan and Germany).

10. That the property described as follows: Two (2) State Loan of Kingdom of Hungary 4½% Sinking Fund Bonds, each of \$1,000.00 face value, bearing the numbers M6532 and M6533, issued in bearer form and presently in the custody of the Bank of Manhattan Company, 40 Wall Street, New York 5, New York, in an account entitled "A/B Svenska Handelsbanken Stockholm, Sweden 'Special Depot U General Ruling #6 Account'," together with any and all rights thereunder and thereto,

is property within the United States owned or controlled by, payable or deliverable to, held on behalf of or on account of, or owing to, or which is evidence of ownership or control by Reichskredit-Gesellschaft, the aforesaid national of a designated enemy country (Germany);

11. That the property described as follows:

a. Four (4) coupons issued by Conversion Office for German Foreign Debts, numbered 0073744, 081700, 081701 and 096971, said coupons of \$1.50 face value each, issued in bearer form and presently in the custody of the Bank of Manhattan Company, 40 Wall Street, New York 5, New York, in an account entitled "A/B Svenska Handelsbanken, Stockholm, Sweden 'Special Depot U General Ruling #6 Account'," together with any and all rights thereunder and thereto, and

b. Three (3) City of Berlin, Germany, 25 year 6½% Sinking Fund Municipal External Loan Bonds, each of \$1,000.00 face value, bearing the numbers M7957, 8978 and 11863, issued in bearer form, and presently in the custody of the Bank of Manhattan Company, 40 Wall Street, New York 5, New York, in an account entitled "A/B Svenska Handelsbanken, Stockholm, Sweden 'Special Depot U General Ruling #6'," together with any and all rights thereunder and thereto,

is property within the United States owned or controlled by, payable or deliverable to, held on behalf of or on account of, owing to, or which is evidence of ownership or control by Allgemeine Waren-Finanzierungs Gesellschaft m. b. H., the aforesaid national of a designated enemy country (Germany);

12. That the property described as follows: Ten (10) receipts of the Guaranty Trust Company, United States of Mexico, for coupons or rights to interest in arrears (Class A), said receipts issued in bearer form, of the face value and bearing the numbers set forth below:

Face value	Nos.	Face value	Nos.
\$5.25-----	163172	\$1,800.00----	6217
\$5.25-----	99500	\$135.00-----	87050
\$120.00-----	6230	\$240.00-----	7756
\$120.00-----	97381	\$388.00-----	10427
\$1,800.00----	5960	\$388.00-----	10449

presently in the custody of the Bank of Manhattan Company, 40 Wall Street, New York 5, New York, in an account entitled "A/B Svenska Handelsbanken, Stockholm, Sweden 'Special Depot U General Ruling #6 Account'," together with any and all rights thereunder and thereto,

is property within the United States owned or controlled by, payable or deliverable to, held on behalf of or on account of, or owing to, or which is evidence of ownership or control by Norddeutsche Kreditbank A. G., the aforesaid national of a designated enemy country (Germany);

and it is hereby determined:

13. That to the extent that the person named in subparagraph 1 hereof is not within a designated enemy country, the national interest of the United States requires that such person be treated as a national of a designated enemy country (Japan);

14. That to the extent that the persons named in subparagraphs 2, 3, 4, 5 and 6 hereof are not within a designated enemy country, the national interest of the United States requires that such persons be treated as nationals of a designated enemy country (Germany).

All determinations and all action required by law, including appropriate consultation and certification, having been made and taken, and, it being deemed necessary in the national interest,

There is hereby vested in the Attorney General of the United States the property described above, to be held, used, administered, liquidated, sold or otherwise dealt with in the interest of and for the benefit of the United States.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order 9193, as amended.

Executed at Washington, D. C., on December 9, 1949.

For the Attorney General.

[SEAL] HAROLD I. BAYNTON,  
Acting Director,  
Office of Alien Property.

[F. R. Doc. 49-10594; Filed, Dec. 30, 1949; 8:49 a. m.]

[Vesting Order 14157]

## GERMANY

In re: Cash owned by Germany.

Under the authority of the Trading With the Enemy Act, as amended, Executive Order 9193, as amended, and Executive Order 9788, and pursuant to law, after investigation, it is hereby found:

1. That the property described as follows: Cash in the amount of \$2,858.49 presently in the custody of the Department of State in a special deposit account, 19 F 5875, Special Deposits, Sus-

pense, Department of State, assigned number 13664-3, and referred to as "Funds realized from public sales of the furniture and certain of the fixtures of the former German Embassy,"

is property within the United States owned or controlled by, payable or deliverable to, held on behalf of or on account of, or owing to, or which is evidence of ownership or control by a designated enemy country (Germany).

All determinations and all action required by law, including appropriate consultation and certification, having been made and taken, and, it being deemed necessary in the national interest,

There is hereby vested in the Attorney General of the United States the property described above, to be held, used, administered, liquidated, sold or otherwise dealt with in the interest of and for the benefit of the United States.

The term "designated enemy country" as used herein shall have the meaning prescribed in section 10 of Executive Order 9193, as amended.

Executed at Washington, D. C., on December 9, 1949.

For the Attorney General.

[SEAL] HAROLD I. BAYNTON,  
Acting Director,  
Office of Alien Property.

[F. R. Doc. 49-10595; Filed, Dec. 30, 1949; 8:49 a. m.]

[Vesting Order 14157]

## UME0 MIYAGISHIMA ET AL.

In re: Cash owned by Umeo Miyagishima and others.

Under the authority of the Trading With the Enemy Act, as amended, Executive Order 9193, as amended, and Executive Order 9788, and pursuant to law, after investigation, it is hereby found:

1. That the persons whose names are set forth in Exhibit A, attached hereto and by reference made a part hereof, each of whose last known address is Japan, are residents of Japan and nationals of a designated enemy country (Japan);

2. That the property described as follows: Cash in the sum of \$3,062.37 presently in the possession of the Treasury Department of the United States in Trust Fund Account, Symbol 158915, "Deposits, Funds of Civilian Internees and Prisoners of War," in the names of the persons listed in Exhibit A, attached hereto and by reference made a part hereof, in the amounts appearing opposite such names, and any and all rights to demand, enforce and collect the same,

is property within the United States owned or controlled by, payable or deliverable to, held on behalf of or on account of, or owing to, or which is evidence of ownership or control by, the aforesaid nationals of a designated enemy country (Japan);

and it is hereby determined:

3. That to the extent that the persons referred to in subparagraph 1 hereof are



not within a designated enemy country, the national interest of the United States requires that such persons be treated as nationals of a designated enemy country (Japan).

All determinations and all action required by law, including appropriate consultation and certification, having been made and taken, and, it being deemed necessary in the national interest,

There is hereby vested in the Attorney General of the United States the property described above, to be held, used, administered, liquidated, sold or otherwise dealt with in the interest of and for the benefit of the United States.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order 9193, as amended.

Executed at Washington, D. C., on December 9, 1949.

For the Attorney General.

[SEAL] HAROLD I. BAYNTON,  
Acting Director,  
Office of Alien Property.

## EXHIBIT A

Name	Amount	OAP file No.
Umeo Miyagishima.....	\$176.04	F-39-6621-E-1
Yuki Matsuoka, also known as Yuke Matsuoka.....	119.67	F-39-6620-E-1
Kohel Miyaji.....	446.20	F-39-6622-E-1
Gunichi Roy Miyayaga.....	220.52	F-39-6623-E-1
Eigo Miyazawa.....	233.35	F-39-6624-E-1
Mitunori Murata.....	195.25	F-39-6626-E-1
Sakujiro Nabeta, also known as Yosaku Shibata.....	159.00	F-39-6627-E-1
Seichiro Henry Nagai.....	222.05	F-39-6628-E-1
Yohachi Nagashima.....	309.44	F-39-6629-E-1
Hytaro Nakami.....	312.89	F-39-6630-E-1
Harutaro Nakamitsu.....	302.86	F-39-6631-E-1
Otoneri Nakano.....	274.10	F-39-6632-E-1
Kotaro Nishi.....	100.00	F-39-6633-E-1

[F. R. Doc. 49-10596; Filed, Dec. 30, 1949;  
8:49 a. m.]

[Vesting Order 14159]

## SEIJIRO NISHIMURA ET AL.

In re: Cash owned by Seiji Nishimura and others.

Under the authority of the Trading With the Enemy Act, as amended, Executive Order 9193, as amended, and Executive Order 9788, and pursuant to law, after investigation, it is hereby found:

1. That the persons whose names are set forth in Exhibit A, attached hereto and by reference made a part hereof, each of whose last known address is Japan, are residents of Japan and nationals of a designated enemy country (Japan);

2. That the property described as follows: Cash in the sum of \$6,316.20 presently in the possession of the Treasury Department of the United States in Trust Fund Account, Symbol 158915, "Deposits, Funds of Civilian Internees and Prisoners of War," in the names of the persons listed in Exhibit A, attached hereto and by reference made a part hereof, in the amounts appearing opposite such names, and any and all

rights to demand, enforce and collect the same,

is property within the United States owned or controlled by, payable or deliverable to, held on behalf of or on account of, or owing to, or which is evidence of ownership or control by the aforesaid nationals of a designated enemy country (Japan);

and it is hereby determined:

3. That to the extent that the persons referred to in subparagraph 1 hereof are not within a designated enemy country, the national interest of the United States requires that such persons be treated as nationals of a designated enemy country (Japan).

All determinations and all action required by law, including appropriate consultation and certification, having been made and taken, and, it being deemed necessary in the national interest,

There is hereby vested in the Attorney General of the United States the property described above, to be held, used, administered, liquidated, sold or otherwise dealt with in the interest of and for the benefit of the United States.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order 9193, as amended.

Executed at Washington, D. C., on December 9, 1949.

For the Attorney General.

[SEAL] HAROLD I. BAYNTON,  
Acting Director,  
Office of Alien Property.

## EXHIBIT A

Name	Amount	OAP file No.
Seiji Nishimura.....	\$122.05	F-39-6634-E-1
Yasuiichi Nogusa.....	388.85	F-39-6635-E-1
Tsutomu Oishi.....	167.11	F-39-6636-E-1
Isamu Okuda.....	245.42	F-39-6637-E-1
Kurata Otsuki.....	117.50	F-39-6638-E-1
Kandayu Ryono also known as Kandazu Ryono and as Kandayo Ryono.....	249.00	F-39-6639-E-1
Kikuzo Frank Shingai also known as Kikuzo Shingai and as Kikuzo Shingai.....	342.05	F-39-6640-E-1
Otoichi Togawa also known as Otokichi Togawa.....	142.05	F-39-6641-E-1
Toshikatsu Yokota.....	119.00	F-39-6642-E-1
Enichi Yoritomo.....	364.00	F-39-6643-E-1
Tadashi Yoshida.....	160.28	F-39-6644-E-1
Rikimatsu Yoshioka.....	103.12	F-39-6645-E-1
Eijiro Iwata.....	144.19	F-39-6649-E-1
Kazuyoshi Iwawaki.....	342.05	F-39-6650-E-1
Hatsuei Kaneko.....	103.31	F-39-6651-E-1
Tosaburo Kasano.....	446.60	F-39-6652-E-1
Shigetoshi Kinowaki.....	248.00	F-39-6653-E-1
Oritaro Kobayashi.....	140.95	F-39-6654-E-1
Fukumatsu Kubota also known as Fukamatsu Kuetoa.....	278.07	F-39-6655-E-1
Itsuo Kurata.....	224.11	F-39-6656-E-1
Takachi Kuroiwa.....	130.13	F-39-6657-E-1
Kanekichi Miyagishima also known as Kanekichi Miya.....	229.98	F-39-6658-E-1
Komatsu Okaji.....	210.00	F-39-6659-E-1
Tsutomu Sakurai also known as Tutomu Sakurai.....	160.97	F-39-6660-E-1
Kunitaro Takeuchi also known as Kunitaro Takeuchi.....	205.42	F-39-6661-E-1
Seisaburo Yogi.....	158.78	F-39-6662-E-1
Chiyojiro Yokoyama also known as Chiyojere Yoko- yama.....	122.91	F-39-6663-E-1
Zenkichi John Kudo also known as Jenkichi Kudo.....	239.02	F-39-6664-E-1
Suijo Kabashima also known as Suijo Kobashima.....	268.97	F-39-6665-E-1
Kijiro Matsuhara also known as Kiziro Matsuhara.....	142.31	F-39-6666-E-1

[F. R. Doc. 49-10597; Filed, Dec. 30, 1949;  
8:49 a. m.]

[Vesting Order 13755, Amdt.]

## TAKEO ITO

In re: Stock owned by Takeo Ito.  
Vesting Order 13755, dated August 29, 1949, is hereby amended as follows and not otherwise:

a. By deleting from subparagraph 2-a thereof the words Six (6) shares of \$100 par value and substituting therefor the words Six (6) shares of no par value.

b. By deleting from subparagraph 2-b thereof the words One (1) share of no par value and substituting therefor the words One (1) share of \$100 par value.

All other provisions of said Vesting Order 13755 and all actions taken by or on behalf of the Attorney General of the United States in reliance thereon, pursuant thereto and under the authority thereof are hereby ratified and confirmed.

Executed at Washington, D. C., on December 9, 1949.

For the Attorney General.

[SEAL] HAROLD I. BAYNTON,  
Acting Director,  
Office of Alien Property.

[F. R. Doc. 49-10598; Filed, Dec. 30, 1949;  
8:50 a. m.]

[Vesting Order 13872, Amdt.]

## IWAJIRO SATAKE

In re: Securities owned by the personal representatives, heirs, next of kin, legatees, and distributees of Iwajiro Satake, deceased.

Vesting Order 13872, dated September 27, 1949, is hereby amended as follows and not otherwise:

a. By deleting from subparagraph 2-a thereof the word "No" and substituting therefor the sum, "\$100."

b. By deleting from subparagraph 2-a thereof the word "Delaware" and substituting therefor the word "Connecticut."

All other provisions of said Vesting Order 13872 and all actions taken by or on behalf of the Attorney General of the United States in reliance thereon, pursuant thereto and under the authority thereof are hereby ratified and confirmed.

Executed at Washington, D. C., on December 9, 1949.

For the Attorney General.

[SEAL] HAROLD I. BAYNTON,  
Acting Director,  
Office of Alien Property.

[F. R. Doc. 49-10599; Filed, Dec. 30, 1949;  
8:50 a. m.]

[Return Order 512]

## GEORGE ZOTOS

Having considered the claim set forth below and having issued a determination allowing the claim, which is incorporated by reference herein and filed herewith, It is ordered, That the claimed property, described below and in the determination, including all royalties accrued



## NOTICES

thereunder and all damages and profits recoverable for past infringement thereof, be returned after adequate provision for taxes and conservatory expenses:

*Claimant, Claim No., Notice of Intention To Return Published, and Property*

George Zotos, New York, New York, Claim No. 36139; November 4, 1949 (14 F. R. 6708); property described in Vesting Order No. 201 (8 F. R. 625, January 16, 1943), relating to United States Letters Patent Nos. 1,863,708; 1,897,877; 2,001,444; 2,099,045; and 2,122,170; property described in Vesting Order No. 2430 (8 F. R. 16538, December 8, 1943), relating to United States Letters Patent No. 2,147,476; and property described in Vesting Order No. 325 (7 F. R. 9852, November 26, 1942), relating to United States Patent Application Serial No. 113,559½ (now United States Letters Patent No. 2,358,903). This return shall not be deemed to include the rights of any licensees under the above patents and patent application.

Appropriate documents and papers effectuating this order will issue.

Executed at Washington, D. C., on December 27, 1949.

For the Attorney General.

[SEAL] HAROLD I. BAYNTON,  
Acting Director,  
Office of Alien Property.

[F. R. Doc. 49-10600; Filed, Dec. 30, 1949;  
8:50 a. m.]

HARRIETTE POST VON JESZENSZKY

NOTICE OF INTENTION TO RETURN VESTED  
PROPERTY

Pursuant to section 32 (f) of the Trading With the Enemy Act, as amended, notice is hereby given of intention to return, on or after 30 days from the date of

the publication hereof, the following property, subject to any increase or decrease resulting from the administration thereof prior to return, and after adequate provision for taxes and conservatory expenses:

*Claimant, Property, and Location*

Harriette Post von Jeszenszky, Bernardsville, New Jersey; \$61,883.16 in the Treasury of the United States. All right, title and interest of Harriette Post von Jeszenszky in and to the trust created under the Will of George Browne Post, deceased.

Executed at Washington, D. C., on December 27, 1949.

For the Attorney General.

[SEAL] HAROLD I. BAYNTON,  
Acting Director,  
Office of Alien Property.

[F. R. Doc. 49-10601; Filed, Dec. 30, 1949;  
8:50 a. m.]